

IDFC ASSET MANAGEMENT COMPANY LIMITED

CIN U65993MH1999PLC123191

DIRECTORS Mr. Vikram Limaye (Chairperson)
(Till July 15, 2017)
Mr. Vishwvir Saran Das
Ms. Anita Ramachandran
Mr. Eric Ward (Till March 20, 2017)

AUDITORS S. R. Batliboi & Co. LLP
Chartered Accountants

**PRINCIPAL
BANKER** IDFC Bank Limited

**REGISTERED
OFFICE** One Indiabulls Centre,
6th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg,
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Mumbai 400 013
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Website www.idfcmf.com
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BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Seventeenth Annual Report of IDFC Asset Management Company Limited (“the Company” or “IDFC AMC”) together with the audited financial statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

PARTICULARS	(AMOUNT IN ₹)	
	FOR THE YEAR ENDED MARCH 31, 2017	FOR THE YEAR ENDED MARCH 31, 2016
Total Income	3,096,303,079	3,255,954,776
Less: Total Expenses	1,696,287,581	1,628,191,505
Profit before Tax	1,400,015,498	1,627,763,271
Less: Provision for Tax	427,201,307	527,353,342
Profit after Tax	972,814,191	1,100,409,929

COMPANY'S AFFAIRS

I. Mutual Funds

IDFC Asset Management Company Limited (“IDFC AMC” or “the Company”) is the Investment Manager of the schemes of IDFC Mutual Fund (“IDFC MF”). The Assets under Management of IDFC MF were ₹ 55,383.40 crore (excluding Fund of Funds Schemes) as on March 31, 2017.

New Scheme launches:

During FY17, below schemes were launched

1. IDFC Nifty Exchange Traded Fund
2. IDFC Sensex Exchange Traded Fund
3. IDFC Balanced Fund
4. IDFC Credit Opportunities Fund
5. IDFC Fixed Term Plan - Series 129
6. IDFC Fixed Term Plan - Series 131

II. Portfolio Management Services:

The Company is registered as a Portfolio Manager with the Securities and Exchange Board of India (“SEBI”) to carry out Portfolio Management Services pursuant to SEBI (Portfolio Managers) Regulations, 1993. IDFC Hybrid Infrastructure Portfolio (“HIP”) was the first portfolio offering for domestic retail investors under the PMS platform of the Company. The investment objective of HIP is to invest in permitted securities / instruments issued by companies operating in the Infrastructure space and endeavour to achieve risk adjusted medium to long term capital appreciation.

The Company also acts as an Investment Manager to IDFC S.P.I.C.E. Fund, the objective of the fund is to achieve attractive risk adjusted returns through investments in medium to long term unlisted and listed opportunities in social infrastructure, physical infrastructure, consumption and environment sectors.

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 5 of the Notes forming part of the financial statements.

DIVIDEND

The Company has made a profit after tax of ₹ 97.28 crore For FY17. The Directors recommend a dividend of ₹ 227.5 (i.e. 2275%) per equity share on face value of ₹10 for the financial year ended March 31, 2017.

SUBSIDIARY COMPANIES / ASSOCIATES / JOINT VENTURES

As on March 31, 2017, the Company had one subsidiary, namely IDFC Investment Managers (Mauritius) Limited (“IMML”). The Board of Directors of the Company reviews the affairs of its subsidiary companies regularly. Further, a statement containing the salient features of the financial statement and details of performance and financial positions of IMML in the format AOC-I is appended as Annexure I.

SHARE CAPITAL UPDATE

On March 20, 2017, IDFC discontinued association with Natixis and 669,762 equity shares of IDFC AMC held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited (“IDFC FHCL”), thereby making IDFC AMC a wholly owned subsidiary of IDFC FHCL.

BOARD'S REPORT

ALTERATION OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company as currently in force were adopted by the Company at its extra ordinary general meeting held on December 08, 2011 after having an association with Natixis Global Asset Management by executing Share Subscription and Purchase Agreement and Shareholders Agreement. During FY17, the same association was discontinued and the aforesaid agreements were amended accordingly.

Further, the Existing Articles of Association of the Company were referring to the Companies Act, 1956 which was debarred and was replaced with the Companies Act, 2013. The references to specific sections of the erstwhile Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering discontinuation of association with Natixis and that substantive sections of the Companies Act which deal with the general working of the companies stand notified, the Board of Directors of the Company at its meeting held on April 24, 2017, recommended the amendment of the existing Articles of Association to the Shareholders at the ensuing AGM for aligning the Articles with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

PARTICULARS OF EMPLOYEES

The Company had 189 employees as on March 31, 2017.

The Disclosure pertaining to the provisions of Section 197 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (to the extent applicable) a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans or guarantee or investments of the Company under the provisions of Section 186 of the Companies Act, 2013.

FOREIGN EXCHANGE EXPENDITURE AND EARNING

The particulars regarding foreign exchange expenditure and earning are furnished in Note no. 21 & 22 respectively in the Notes forming part of the Financial Statements.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not undertake any manufacturing facility, the disclosure of information on matters required to be disclosed in terms of Section 134(3)(m) are not applicable and hence not given.

DIRECTORS

During the year, Dr. Rajeev Uberoi was appointed as an Alternate Director to Mr. Eric Ward w.e.f. July 20, 2016 and he ceased to be an Alternate Director w.e.f. October 25, 2016 on account of Mr. Eric Ward returning to India. Further, Mr. Eric ward resigned as Director w.e.f. March 20, 2017.

The Board places on record sincere appreciation for services rendered by them during their tenure.

At the Extra ordinary general Meeting of the Company held on December 19, 2014, Mr. Vishwavir Saran Das was appointed as an Independent Director ("ID") of the Company to hold office from the conclusion of that General Meeting till the conclusion of the 17th Annual General Meeting of the Company to be held for the FY17 i.e. ensuing AGM. As per the provisions of Section 149(10) & (11) of the Companies Act, 2013, Mr. Vishwavir Saran Das can be appointed for another term, if the same is approved by the Shareholders by way of Special Resolution. On recommendation of the Nomination and Remuneration Committee and considering the valuable contributions and continued association of Mr. Vishwavir Saran Das, the Board proposed to reappoint Mr. Vishwavir Saran Das as ID of the Company for two years from the conclusion of the ensuing AGM till the conclusion of 19th AGM to be held for FY19. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management. In the opinion of the Board, Mr. Vishwavir Saran Das is a person of integrity and has the necessary knowledge, experience and expertise for being reappointed as ID. He shall not be liable to retire by rotation. The Members are requested to consider reappointment of Mr. Vishwavir Saran Das at ensuing AGM.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from IDs, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

BOARD'S REPORT

MEETINGS OF THE BOARD

During the year, Seven Board meetings were held on April 27, 2016; July 21, 2016; September 7, 2016; October 26, 2016; December 21, 2016; January 24, 2017 and March 29, 2017. The gap between two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013.

Attendance details of Board of Directors for the Board Meetings held during FY17 are given below.

NAME OF THE DIRECTOR	DIN	POSITION	NO. OF MEETINGS HELD IN FY17	NO. OF MEETINGS ATTENDED IN FY17
Mr. Vikram Limaye ¹	00488534	Chairperson	7	7
Mr. Vishwavir Saran Das	03627147	Independent Director	7	7
Ms. Anita Ramachandran	00118188	Independent Director	7	5
Mr. Eric Ward ²	03522521	Nominee of NATIXIS Global Asset Management	4	1
Dr. Rajeev Uberoi ³	01731829	Alternate Director to Mr. Eric Ward	2	1

¹ Tendered his resignation w.e.f. July 15, 2017.

² Resigned as a Director w.e.f. March 20, 2017

³ Appointed as an Alternate Director to Mr. Eric Ward w.e.f. July 20, 2016 and ceased to be an Alternate Director w.e.f. October 25, 2016.

AUDIT COMMITTEE

During the year, Four Audit Committee meetings were held on April 27, 2016, July 21, 2016, October 26, 2016 and January 24, 2017. The gap between two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013.

Attendance details of Directors for the Audit Committee Meetings held during FY17 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Vishwavir Saran Das	Independent Director	Chairperson	4	4
Ms. Anita Ramachandran	Independent Director	Member	4	3
Mr. Vikram Limaye ¹	Nominee of IDFC	Member	NA	NA
Mr. Eric Ward ²	Nominee of NATIXIS Global Asset Management	Member	3	1
Dr. Rajeev Uberoi ³	Alternate Director to Mr. Eric Ward	Member	1	1

¹ Appointed as a member w.e.f. April 17, 2017 and tendered his resignation w.e.f. July 15, 2017

² Resigned as a Director w.e.f. March 20, 2017

³ Appointed as an Alternate Director to Mr. Eric Ward w.e.f. July 20, 2016 and ceased to be an Alternate Director w.e.f. October 25, 2016.

NOMINATION AND REMUNERATION COMMITTEE

During the year, Two meetings of NRC were held on April 27, 2016 and March 29, 2017.

Attendance details of Directors for the NRC Meetings held during FY17 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ms. Anita Ramachandran	Independent Director	Chairperson	2	2
Mr. Vishwavir Saran Das	Independent Director	Member	2	2
Mr. Vikram Limaye ¹	Nominee of IDFC	Member	2	2
Mr. Eric Ward ²	Nominee of NATIXIS Global Asset Management	Member	1	-

¹ Tendered his resignation w.e.f. July 15, 2017

² Resigned as a Director w.e.f. March 20, 2017

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on April 27, 2016. All Independent Directors attended the said meeting.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, a detailed questionnaire was prepared and circulated to the Board for Annual evaluation. The Directors discussed and requested for some changes.

The Company is in the process of designing a simplified Questionnaire based on the inputs/views from some of the Independent Directors that would cover the essence of evaluation. For this purpose the Company may engage an External Agency to carry out the entire Annual Board Evaluation process independently. The said process is expected to be completed in due course.

BOARD'S REPORT

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and Other Employees which is in line with the Section 178 of Companies Act, 2013 and Rules made thereunder.

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, having ICAI Firm Registration Number- 301003E, a member firm of Ernst & Young Global Limited, were Statutory Auditors of the Company for FY17. There are no qualifications or observations or other remarks made by the Statutory Auditors in their report for FY17.

S.R. Batliboi & Co. LLP have expressed their unwillingness to act as a Statutory Auditors of the Company after conclusion of ensuing AGM. Audit Committee and Board of Directors of the Company at their respective meetings held on April 24, 2017 have recommended the appointment of Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company, in place of S.R. Batliboi & Co. LLP, Chartered Accountants, for a period of Five years from the conclusion of the ensuing Annual General Meeting (AGM) of the Company to be held for FY17 till the conclusion of the 22nd AGM of the Company to be held for FY22, subject to approval of the Shareholders of the Company at the ensuing AGM and subsequent ratification on annual basis.

PWC have confirmed that their appointment, if made, would be in conformity with the provisions of Section 141 of the Companies Act, 2013 and have also indicated their willingness to be appointed.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company appointed M/s Kaushik Jhaveri & Co., Practising Company Secretary, as Secretarial Auditors to undertake the Secretarial Audit of the Company for FY17.

There are no qualifications or observations or other remarks made by the Secretarial Auditors in their report.

The Secretarial Audit Report forms part of this Board's Report as Annexure II.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. IDFC Group has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. The Company has in place a Policy on Related Party Transactions and the same is uploaded on the website of the Company.

The Audit Committee reviews the details of related party transactions entered into by the Company on quarterly basis.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

INTERNAL CONTROL SYSTEMS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal audits of all the business units of the Company are regularly carried out to review the Internal Control Systems. The Audit Reports of Internal Auditors along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. The Internal Auditors verified the key Internal Financial Control by reviewing key controls impacting financial reporting and Enterprise risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

RISK MANAGEMENT

The Audit Committee of the Company endeavours to review the risk register at every meeting held during the year. The Members of the Audit Committee ensure the measurement and control of risk factors and advice on the same to the Management of the Company.

MATERIAL CHANGES / COMMITMENTS

As per Section 134(3)(l) of Companies Act, 2013, there have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2017 till the date of this report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL

There are no significant and material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

There were no instances of Sexual Harassment that were reported during FY17 under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in the prescribed Form No. MGT 9 are appended as Annexure III.

CORPORATE SOCIAL RESPONSIBILITY

As on March 31, 2017, the Corporate Social Responsibility Committee comprises of the following:

1. Mr. Vikram Limaye - Chairperson
2. Mr. Vishwavir Saran Das
3. Ms. Anita Ramachandran

During the year under review, one meeting of CSR Committee was held on April 27, 2016 where all members were present.

The composition of CSR Committee is in compliance with the Companies Act, 2013. The disclosure of contents of CSR Policy as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure IV.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual financial statements on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board places on record its gratitude to SEBI, Reserve Bank of India, Association of Mutual Funds of India, other regulatory authorities and institutions and Investors of the Mutual Fund schemes for their continued guidance and support and expresses its sincere appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

The Directors also express their gratitude for the unstinted support and guidance received from IDFC Limited, IDFC FHCL and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Limaye
Chairperson

Mumbai, June 30, 2017

ANNEXURE I

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. CIN	-
2. Name of the subsidiary	IDFC Investment Managers (Mauritius) Limited
3. Date since when subsidiary was acquired	September 13, 2010
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2016 to March 31, 2017
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR*
6. Share capital (as on March 31, 2017)	2,50,69,224
7. Reserves & surplus (as on March 31, 2017)	(1,22,20,852)
8. Total assets (as on March 31, 2017)	1,56,61,742
9. Total Liabilities (as on March 31, 2017)	1,56,61,742
10. Investments	Nil
11. Turnover	Nil
12. Profit/(Loss) before taxation	(21,87,763)
13. Provision for taxation	Nil
14. Profit/(Loss) after taxation	(21,87,763)
15. Proposed Dividend	Nil
16. % of shareholding	100

*Exchange Rate:

Closing Rate: 1 USD = 64.8386

Average Rate: 1 USD = 67.0615

Note: There are no subsidiaries which are yet to commence operations.
No subsidiaries have been liquidated or sold during the year.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

NOT APPLICABLE

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Vikram Limaye
Director

Nirav Shah
Company Secretary

Vishwavir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

Mumbai, April 24, 2017

ANNEXURE II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

IDFC Asset Management Company Limited
One India Bulls Centre, 841 Jupiter Mills Compound,
Senapati Bapat Marg, Elphinstone (West),
Mumbai - 400 013
CIN :U65993MH1999PLC123191

WE have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDFC ASSET MANAGEMENT COMPANY LIMITED** having CIN:U65993MH1999PLC123191 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IDFC ASSET MANAGEMENT COMPANY LIMITED** for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the company during the audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company does not have any External Commercial Borrowings for the financial year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the audit period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during audit period).**

ANNEXURE II

SECRETARIAL AUDIT REPORT

We have relied on the report of Internal Auditors placed at the Board Meeting and on the representations made by the Company, its officers for systems and mechanisms developed by the Company in order to ensure compliances under the other applicable Acts, Laws and Regulations to the Company. The list of Acts, Other Laws and Regulations specifically applicable to the Company are given below:

- (i) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended;
- (ii) The Prevention of Money Laundering Act, 2002

We have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above, to the extent applicable.

We further inform that the Company has adequate Composition of Board of Directors as per SEBI (Mutual Funds) Regulations, 1996 and Companies Act, 2013. During the audit period the Composition of the Board of Directors has been changed which is below the prescribed number as provided in Articles of Association. As informed by the Management, the Company is in process of Alteration of Articles to bring the complete set of Articles in line with the existing provisions of Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, the decisions were carried unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the period under, there are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For Kaushik M. Jhaveri & Co.,
Practising Company Secretary

Kaushik M. Jhaveri
FCS No.: 4254; CP No. : 2592

Mumbai, April 17, 2017

ANNEXURE III

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U65993MH1999PLC123191
ii) Registration Date	20/12/1999
iii) Name of the Company	IDFC ASSET MANAGEMENT COMPANY LIMITED
iv) Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
v) Address of the Registered office and contact details	One India Bulls Centre, 841 Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400013, Maharashtra. Tel.: +91 22 6628 9999, Fax: +91 22 2421 5051
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011. Tel.: +91 22 6656 8484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Asset Management	66301	94.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Limited	L65191TN1997PLC037415	Ultimate Holding	Indirectly 100	Section 2(46)
2	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Holding	100	Section 2(46)
3	IDFC Investment Managers (Mauritius) Ltd.	N.A.	Subsidiary	100	Section 2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoters									
(1) Indian									
d) Bodies Corp.	2,009,277	6	2,009,283	75	2,679,039	6	2,679,045	100	25
Sub-total (A) (1):-	2,009,277	6	2,009,283	75	2,679,039	6	2,679,045	100	25
(2) Foreign									
a) Bodies Corp.	669,762	NIL	669,762	25	NIL	NIL	NIL	NIL	(25)
Sub-total (A) (2):-	669,762	NIL	669,762	25	NIL	NIL	NIL	NIL	(25)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2,679,039	6	2,679,045	100	2,679,039	6	2,679,045	100	NIL
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	2,679,039	6	2,679,045	100	2,679,039	6	2,679,045	100	NIL

ANNEXURE III

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1	IDFC Financial Holding Company Limited & its nominees	2,009,283	75	NIL	2,679,045	100	NIL	25
Total		2,009,283	75	NIL	2,679,045	100	NIL	25

(iii) Change in Promoters' Shareholding:

SR. NO.	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	At the beginning of the year	2,009,283	75	2,009,283	75
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	On March 20, 2017, 669,762 equity share of IDFC AMC held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited	25	On March 20, 2017, 669,762 equity share of IDFC AMC held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited	25
3	At the end of the year	2,679,045	100	2,679,045	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NOT APPLICABLE

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

B. Remuneration to other directors:

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS				TOTAL AMOUNT
		VIKRAM LIMAYE	ERIC WARD	VISHWAVIR SARAN DAS	ANITA RAMACHANDRAN	
1. Independent Directors						
	Fee for attending board committee meetings			375,000	300,000	675,000
	Commission			NIL	NIL	
	Others, please specify			NIL	NIL	
	Total (1)			375,000	300,000	675,000
2. Other Non-Executive Directors						
		NIL	NIL			NIL
	Total (B) = (1 + 2)	NIL	NIL	375,000	300,000	675,000
	Overall Ceiling as per the Act					Refer Note

Note: Sitting fees paid to Directors is within the overall Ceiling limit as prescribed under the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NOT APPLICABLE

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

ANNEXURE IV

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. IDFC believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities Pan-India befitting its status as a conscientious corporate citizen.

Section 135 of Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014 requires IDFC AMC Ltd. to mandatorily spend on CSR.

During the year, IDFC Asset Management Company Ltd. carried out CSR activities through on of the group companies of IDFC Limited, namely, IDFC Foundation, a not-for-profit Company within the meaning of Section 8 of the Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).

The object of the CSR activities would seek to -

- (a) serve the poor, marginalised and underprivileged
- (b) promote inclusion
- (c) be sustainable
- (d) meet needs of the larger community and society

IDFC Foundation, as implementing agency on behalf of IDFC Limited and its group companies, undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act for promoting the development of -

- (a) livelihoods
- (b) rural development projects
- (c) promoting healthcare including preventive health care
- (d) education
- (e) community engagement/development
- (f) environmental sustainability
- (g) disaster relief
- (h) research and studies in all or any of the activities mentioned in Schedule VII and
- (i) Others

2. The Composition of the CSR Committee.

Mr. Vikram Limaye

Mr. Vishwavir Saran Das

Ms. Anita Ramachandran

3. Average net profit of the company for last three financial years ₹ 137.32 Cr

4. Prescribed CSR Expenditure (2% of the amount as in item 3. above) ₹ 2.75 Cr

5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year: ₹ 2.75 Cr

b) Amount spent during the year: ₹ 2.75 Cr

c) Amount unspent, if any; NIL

d) Manner in which the amount spent during the financial year is detailed below: **Annexure - A**

6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For IDFC AMC Limited

Place : Mumbai
Date : June 30, 2017

Vikram Limaye
Chairperson - CSR Committee

Anita Ramachandran
Director

ANNEXURE A

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

(1)	(2)	(3)
SR. NO	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED (CLAUSE NO. OF SCHEDULE VII TO THE COMPANIES ACT, 2013, AMENDED)
1	Improvement in the learning environment in night schools - which cater to underprivileged students.	Cl.(ii) promoting education
2	Improvement in learning outcomes and universalization of primary education for a set of 60 schools in the backward blocks of Ramgarh and Kishangarh through an identified set of interventions and infrastructure improvements.	Cl.(ii) promoting education
3	Promoting Digital Literacy amongst School Students to enable access to universal knowledge, quality education, healthcare, transparent governance and economic opportunities.	Cl.(ii) promoting education
4	Support towards strengthening and improving the quality of life in Indian cities and towns.	Cl.(ii) promoting education Cl.(ii) livelihood enhancement projects,
5	Improvement of infrastructure facilities at Anganwadi centre and Primary Schools at Sanghakheda Kalan Village	Cl.(ii) promoting education
Total		
6	Providing economic and affordable service delivery on water and sanitation to the community.	Cl.(i) Sanitation & Safe Drinking water
7	Support for affordable and accessible healthcare services.	Cl.(i) promoting health care including preventive health care
8	Support for elimination of Open Defecation and achieving Open Defecation Free Status in Machlipatnam division of Krishna District	Cl.(i) Sanitation
Total		
9	Cattle Care program for breed improvement by providing services such as Artificial Insemination (AI) & other Veterinary Services to enhance the livelihoods of small and marginal farming families in rural districts	Cl.(ii) livelihood enhancement projects,
10	Improving the aspired quality of life for the people through the development of infrastructure projects - (i) Setting up of Micro Hydel for supply of electricity, (ii) Solar street light and (iii) clean drinking water in Mawlyngbwa Village, Meghalaya	Cl.(ii) livelihood enhancement projects; Cl. (iv) ensuring environmental sustainability; Cl. (x) rural development projects.
11	Setting up a Centre of Excellence for developing Handloom and Crafts as a means of sustainable livelihoods for the women in the remote areas of Uttarakhand	Cl.(ii) livelihood enhancement projects,
12	Support on improving the competitiveness of Indian economy through jobs and livelihood creation.	Cl.(ii) livelihood enhancement projects,
13	Financial inclusion through channelizing Interoperable Micro ATMs Network to improve access to basic banking & payments network services after providing financial literacy and digital skilling program under Rural Livelihoods & Development Program	Cl.(ii) livelihood enhancement projects; Cl. (x) rural development projects.
Total		
14	Research & studies on various programmes	Various clauses of Schedule VII
Total		
Total Direct Expense of Project & Programmes (A)		
Overhead Expense (B)		
Total (A) + (B)		

*IDFC Foundation, a wholly owned subsidiary of the IDFC Limited, is an implementing agency of IDFC Limited and its group Companies and engaging Corporate Social Responsibility (CSR) activities as per the CSR policy adopted by IDFC & its group companies in line with the Schedule VII of the Companies Act, 2013.

The Company is primarily focussing on CSR activities as well defined projects or programmes that would include promoting and development of (a) livelihoods, (b) rural development projects, (c) promoting healthcare including preventive health care, (d) education, (e) community engagement/development, (f) environmental sustainability, (g) disaster relief, (h) research and studies in all or any of the activities mentioned in Schedule VII and (i) Others, with the help of various partners.

₹ IN CRORE

(4)	(5)	(6)	(7)	(8)
PROJECTS OR PROGRAMS: (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVER HEADS	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
Maharashtra-Mumbai		0.05	0.13	IMPLEMENTING AGENCY - IDFC FOUNDATION*
Rajasthan - Alwar		0.07	0.18	
Madhya Pradesh - Hoshangabad		0.03	0.10	
Gujarat - Ahmadabad & Surat, Karnataka - Bangalore, Madhya Pradesh - Bhopal, Odisha - Bhubaneswar, Chandigarh, Tamilnadu - Chennai, Kerala - Thiruvananthapuram, Uttarakhand - Dehradun, Delhi, Andhra Pradesh - Hyderabad, Rajasthan - Jaipur, Uttar Pradesh - Kanpur & Lucknow, West Bengal - Kolkata, Punjab - Ludhiana, Maharashtra - Mumbai, Bihar - Patna, Chhattisgarh - Raipur, Jharkhand - Ranchi	0.67	0.04	0.09	
Madhya Pradesh - Hoshangabad		0.02	0.04	
	0.67	0.21	0.54	
Odisha		0.02	0.02	
All India coverage		0.04	0.04	
	0.77			
Andhra Pradesh - Krishna district		0.17	0.17	
	0.77	0.23	0.23	
Madhya Pradesh - Hoshangabad, Harda, Khandwa, Khargone,Dhar, Bhopal, Raisen, Dewas and Indore		0.17	0.24	
Karnataka - Hubballi(Dharwad), Haveri, Koppal, Bagalkot, Belgaavi				
Meghalaya - Across State		0.02	0.12	
Uttarakhand - Almora	0.66	0.02	0.05	
All India coverage		0.02	0.02	
Rural India coverage		0.13	0.13	
	0.66	0.36	0.56	
All India coverage	0.65	0.54	0.96	
	0.65	0.54	0.96	
		1.34	2.29	
		0.03	0.15	
	2.75	1.37	2.44	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC ASSET MANAGEMENT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IDFC Asset Management Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

INDEPENDENT AUDITOR'S REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. As per books of account of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: IDFC Asset Management Company Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IDFC ASSET MANAGEMENT COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of IDFC Asset Management Company Limited

We have audited the internal financial controls over financial reporting of IDFC Asset Management Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

		AS AT MARCH 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	NOTES	₹	₹	₹
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	4	26,790,450		26,790,450
(b) Reserves and surplus	5	2,207,298,747		1,234,484,556
			2,234,089,197	1,261,275,006
Non-current liabilities				
(a) Other long-term liabilities	6	8,579,072		8,974,174
			8,579,072	8,974,174
Current liabilities				
(a) Other current liabilities	7	33,753,644		53,492,873
(b) Short-term provisions	8	486,648,076		1,460,715,043
			520,401,720	1,514,207,916
TOTAL			2,763,069,989	2,784,457,096
ASSETS				
Non-current assets				
(a) Fixed assets				
Tangible assets	9	64,998,581		39,153,887
Intangible assets	10	21,412,523		9,373,417
			86,411,104	48,527,304
(b) Non-current investments	11	169,960,965		167,861,224
(c) Deferred tax assets (net)	12	25,485,000		29,587,000
(d) Long-term loans and advances	13	150,899,664		125,675,612
			346,345,629	323,123,836
			432,756,733	371,651,140
Current assets				
(a) Current investments	14	2,164,520,826		2,163,092,053
(b) Trade receivables	15	84,825,111		110,788,130
(c) Cash and bank balances	16	21,574,863		45,707,506
(d) Short-term loans and advances	13	59,392,456		93,218,267
			2,330,313,256	2,412,805,956
TOTAL			2,763,069,989	2,784,457,096
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
(Membership No. 048749)

Mumbai, April 24, 2017

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Vikram Limaye
Director

Nirav Shah
Company Secretary

Vishwvir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

	NOTES	YEAR ENDED MARCH 31, 2017 ₹	YEAR ENDED MARCH 31, 2016 ₹
I INCOME			
Revenue from operations	17	2,919,649,595	3,156,132,584
Other income	18	176,653,484	99,822,192
TOTAL INCOME (I)		3,096,303,079	3,255,954,776
II EXPENSES			
Employee benefits expense	19	537,638,105	563,316,234
Depreciation and amortisation expense	9, 10	29,146,764	24,588,244
Other expenses	20	1,129,502,712	1,040,287,027
TOTAL EXPENSES (II)		1,696,287,581	1,628,191,505
III PROFIT BEFORE TAX (I - II)		1,400,015,498	1,627,763,271
IV TAX EXPENSE			
Current tax		457,800,000	570,453,000
Deferred tax		4,102,000	(233,432)
Adjustment of tax relating to earlier periods		(34,700,693)	(42,866,226)
TOTAL TAX EXPENSE (IV)		427,201,307	527,353,342
V PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (III - IV)		972,814,191	1,100,409,929
Basic and diluted earnings per equity share (Nominal value of share ₹ 10)	27	363.12	410.75
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
(Membership No. 048749)

Mumbai, April 24, 2017

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Vikram Limaye
Director

Nirav Shah
Company Secretary

Vishwavir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

		YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
		₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT / (LOSS) BEFORE TAXATION		1,400,015,498	1,627,763,271
Adjustment for:			
Add/(Less) : Depreciation and amortisation		29,146,764	24,588,244
Add/(Less) : Lease escalation charge		(776,012)	602,035
Add/(Less) : Loss on sale of Fixed assets (net of profit)		(322,460)	(171,742)
Add/(Less) : Interest on Bank Fixed Deposit		(323,273)	-
Add/(Less) : Profit on sale of other investments		(173,829,344)	(99,226,323)
Add/(Less) : Profit from trading in derivatives		(969,953)	-
Add/(Less) : Interest on income tax refund		(602,165)	-
Operating profit before working capital changes		1,252,339,055	1,553,555,485
Changes in working capital:			
(Increase)/decrease in long term loans and advances	(31,263,109)		56,866,709
(Increase)/decrease in trade receivables	25,963,019		496,095
(Increase)/decrease in short term loans and advances	33,825,811		5,224,243
Increase/(decrease) in other current liabilities	(19,358,318)		(119,142,818)
Increase/(decrease) in short term provisions	(29,939,970)		(77,027,116)
		(20,772,567)	(133,582,887)
Cash generated from/(used in) operations		1,231,566,488	1,419,972,598
Direct taxes paid (net of refund)		(377,129,361)	(554,369,871)
NET CASH FLOW FROM OPERATING ACTIVITIES	(A)	854,437,127	865,602,727
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed asset including capital work-in-progress		(67,226,695)	(27,305,157)
Sale Proceeds from Fixed assets		518,592	931,928
Purchase of investments		(4,043,727,570)	(3,392,160,182)
Sale Proceeds on sale of investments		4,214,028,399	3,081,509,205
Proceeds from trading in derivatives		969,953	-
Purchase of Bank Fixed Deposit		(20,000,000)	-
Maturity of Bank Fixed Deposit		20,323,273	-
Investment in Subsidiaries		-	(16,525,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	(B)	104,885,952	(353,549,206)
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid (including dividend tax)		(983,455,722)	(628,766,773)
NET CASH FLOW FROM FINANCING ACTIVITIES	(C)	(983,455,722)	(628,766,773)
Net increase/(decrease) in cash and cash equivalents	(A + B + C)	(24,132,643)	(116,713,252)
Cash and cash equivalents as at beginning of the year (refer note 16)		45,707,506	159,235,787
Cash and cash equivalents of the merged company		-	3,184,971
Cash and cash equivalents as at end of the year (refer note 16)		21,574,863	45,707,506
		(24,132,643)	(116,713,252)

Investing and Operating activities for the year ended March 31, 2016 excludes non cash transactions on account of amalgamation.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Viren H. Mehta
Partner
(Membership No. 048749)

Vikram Limaye
Director

Vishwvir Saran Das
Director

Mumbai, April 24, 2017

Nirav Shah
Company Secretary

Rupesh Acharya
Chief Financial Officer

01 BACKGROUND

IDFC Asset Management Company Limited ("the Company") is a public limited company, incorporated in India and regulated by The Securities Exchange Board of India ("SEBI"). The Company provides asset management services, portfolio management and investment advisory services.

IDFC Investment Advisors Limited, wholly owned subsidiary company, had filed a petition with the Bombay High Court on December 22, 2014 to obtain its sanction to a Scheme of Amalgamation for carrying out an amalgamation of IDFC Investment Advisors Limited with the Company.

The Amalgamation was effective from April 01, 2015 (Appointed Date) as approved by the Honorable High Court of Bombay ("High Court") vide its order dated April 18, 2015 which had been filed by the Company with the Registrar of Companies on June 23, 2015 ("Effective Date"). The said scheme of merger as approved by the High Court was effective from the Appointed Date but operative from the Effective Date, hence the business of the subsidiary had been transferred to and vested with the Holding Company on a going concern basis.

During the year, IDFC Financial Holding Company Limited has acquired the entire shareholding of Natixis Global Asset Management Asia Pte. Ltd., Singapore in IDFC Asset Management Company Limited with effect from March 20, 2017.

02 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rule 2016 and applicable guidelines issued by SEBI. The financial statements have been prepared on the accrual basis under the historical cost convention.

The accounting policies followed in the preparation of financial statements are consistent with those followed in the previous year.

03 SIGNIFICANT ACCOUNTING POLICIES**A. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B. INVESTMENTS

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long term investments are carried at acquisition cost. However, a provision is made for diminution other than temporary on an individual basis.

Current investments are carried in the financial statement at lower of cost or fair value on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to Statement of Profit and Loss.

C. TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for the intended use, less accumulated depreciation and accumulated losses, if any. Gains or losses arising from derecognition of fixed assets are measured as difference between the net disposal proceeds and the cost of the assets less accumulated depreciation up to the date of disposal and are recognised in the Statement of Profit and Loss when asset is derecognised. Leasehold Improvements are shown at historical cost less accumulated depreciation.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of remaining asset.

D. DEPRECIATION ON TANGIBLE FIXED ASSETS

Depreciation on tangible fixed assets is provided on straight-line method, as per the useful life prescribed in schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5,000 each, which are fully depreciated in the year of capitalization and vehicles and certain office equipments, in which case, life of asset has been internally assessed.

- Computers for 3 years
- Servers and networks for 6 years
- Furniture for 10 years
- Office Equipment for 5 years
- Vehicle for 4 years
- Mobile for 2 years
- Leasehold improvements over the extended lease term or 5 years whichever is earlier.

Depreciation on additions during the year is provided on a pro-rata basis.

E. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised over a period of three years on a straight line method. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

F. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing of an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating units (CGU) net selling price and it's value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted for their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining net selling price, recent market transactions are taken into account. If available, if no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation. After impairment depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the assets is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. REVENUE RECOGNITIONS

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Asset management fees are recognised net of service tax on an accrual basis in terms of Investment Management Agreement entered into by the Company with IDFC AMC Trustee Company Limited and in accordance with SEBI guidelines.

Income from portfolio management and advisory services is recognised at price agreed in accordance with the arrangement with the customers.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established at the reporting date.

H. FOREIGN CURRENCY TRANSACTIONS**Initial recognition**

Foreign currency transactions are recorded in the reported currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transactions.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences are recognised as income or as expenses in the period in which they arise.

I. OPERATING LEASES

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking into account the escalation clause, are charged to the Statement of Profit and Loss on a straight line basis over the extended lease term.

J. EXPENSE UNDER EMPLOYEE STOCK OPTION SCHEMES

The Ultimate Holding Company has formulated Employee Stock Option Schemes ('the ESOS') in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). The ESOS provides for grant of stock options to employees (including employees of subsidiary companies) to acquire equity shares of the Ultimate Holding Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the Guidelines and the Guidance Note on 'Accounting for Employees Share-based Payments' issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the date of grant of the stock options under the ESOS over the exercise price is amortised on a straight-line method over the vesting period and is charged to the Statement of Profit and Loss as employee benefits expense. In case the vested stock options expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to Statement of Profit and Loss.

K. RETIREMENT AND OTHER EMPLOYEE BENEFIT

Retirement benefit in the form of provident fund, superannuation fund and pension fund is a defined contribution scheme and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made. The Company has no obligation, other than the contribution payable to the provident fund, superannuation fund and pension fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment.

The Company operates a defined plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end which is determined using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognised in full in the period in which they occur in the Statement of Profit and Loss.

Based on the leave rules of the Company, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

L. PROPOSED DIVIDEND

The Board of Directors, in their meeting held on April 24, 2017 have proposed a final dividend of ₹227.50 per equity share amounting to ₹609,482,738 exclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend is not recognised as a liability as on March 31, 2017. Accordingly, the balance of Reserves and Surplus is higher by ₹733,561,234 (including corporate dividend tax) and the balance of Short term provisions is lower by an equivalent amount as on March 31, 2017.

M. PROVISIONS

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

N. INCOME TAX

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act 1961, enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

O. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

P. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash at bank, cash in hand, fixed deposits with an original maturity of three months or less.

Q. EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

R. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. Asset Management Services, Investment Advisory and Portfolio Management Services. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

04 SHARE CAPITAL

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
AUTHORISED SHARES				
Equity shares of ₹ 10 each	35,000,000	350,000,000	35,000,000	350,000,000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
Equity shares of ₹ 10 each	2,679,045	26,790,450	2,679,045	26,790,450
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		26,790,450		26,790,450

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
Outstanding at the beginning of the year	2,679,045	26,790,450	2,679,045	26,790,450
Issued during the year	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	2,679,045	26,790,450	2,679,045	26,790,450

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupee. During the year ended March 31, 2017, dividend of ₹Nil per share (Previous year ₹305 per share) is recognised as amount distributable to equity shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(c) Shares held by holding/ultimate holding company

Out of the equity shares issued by the Company, shares held by its holding company/ultimate holding company are as below:

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
IDFC Limited (of which 6 shares are held jointly with nominees)	-	-	2,009,283	20,092,830
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	2,679,045	26,790,450	-	-

(d) Details of shareholders holding more than 5% of the equity shares in the Company

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	2,679,045	100.00%	-	-
IDFC Limited (of which 6 shares are held jointly with nominees)	-	-	2,009,283	75.00%
Natixis Global Asset Management Asia Pte. Limited	-	-	669,762	25.00%

(e) Proposed dividends on Equity shares:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2017: ₹227.50 per share; (Previous year ₹305 per share)	609,482,738	817,108,725

05 RESERVES AND SURPLUS

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
(A) SECURITIES PREMIUM ACCOUNT		
Opening balance	221,897,167	221,897,167
Add: Premium on issue of equity shares	-	-
Closing balance	221,897,167	221,897,167
(B) CAPITAL REDEMPTION RESERVE		
Opening balance	197,925,000	197,925,000
Add: Transferred from Statement of Profit and Loss	-	-
Closing balance	197,925,000	197,925,000
(C) GENERAL RESERVE		
Opening balance	345,611,000	226,815,000
Add: Transferred on amalgamation	-	8,755,000
Add: Transferred from Statement of Profit and Loss	-	110,041,000
Closing balance	345,611,000	345,611,000
(D) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	469,051,389	208,632,826
Add: Transfer on amalgamation	-	253,505,356
Profit for the year	972,814,191	1,100,409,929
Less: Appropriations		
General reserve	-	110,041,000
Proposed dividend on equity shares [For year ended March 31, 2017: refer note 3 (l); (Previous year ₹305 per share)]	-	817,108,725
Tax on proposed equity dividend	-	166,346,997
Total appropriations	-	1,093,496,722
Net surplus in the Statement of Profit and Loss	1,441,865,580	469,051,389
TOTAL	2,207,298,747	1,234,484,556

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

06 OTHER LONG-TERM LIABILITIES

	AS AT MARCH 31, 2017 (₹)	AS AT MARCH 31, 2016 (₹)
Lease equalisation	8,579,072	8,974,174
	8,579,072	8,974,174

07 OTHER CURRENT LIABILITIES

	AS AT MARCH 31, 2017 (₹)	AS AT MARCH 31, 2016 (₹)
Lease equalisation	916,081	1,296,991
Statutory dues payable	23,422,432	27,889,172
Other payables (read with note 31)	9,415,131	24,306,710
	33,753,644	53,492,873

08 SHORT TERM PROVISIONS

	AS AT MARCH 31, 2017 (₹)	AS AT MARCH 31, 2016 (₹)
Other short term provisions (read with note 31)	367,114,109	382,523,184
Provision for gratuity (read with note 23)	-	14,530,896
Other Provisions		
Provision for income tax (Net of advance tax of ₹1,449,087,248; Previous year ₹1,016,534,845)	119,533,967	80,205,242
Proposed equity dividend	-	817,108,725
Tax on proposed equity dividend	-	166,346,996
	486,648,076	1,460,715,043

09 TANGIBLE ASSETS

	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	BALANCE AS AT APRIL 1, 2016 (₹)	ADJUSTMENT (SEE NOTE BELOW) (₹)	ADDITIONS (₹)	DISPOSALS (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT APRIL 1, 2016 (₹)	ADJUSTMENT (SEE NOTE BELOW) (₹)	DEPRECIATION CHARGE FOR THE YEAR (₹)	ON DISPOSALS (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT MARCH 31, 2016 (₹)
Leasehold improvements	82,035,582	-	1,834,505	471,823	83,398,264	78,326,883	-	1,557,283	471,824	79,412,342	3,985,922	3,708,699
Furniture and fixtures	21,890,597	-	603,012	128,196	22,365,413	13,947,601	-	2,232,037	111,460	16,068,178	6,297,235	7,942,996
Office equipment	49,471,952	-	5,271,773	628,312	54,115,413	42,843,327	-	4,170,845	593,094	46,421,078	7,694,335	6,628,625
Computers	59,919,843	-	30,829,661	5,859,065	84,890,439	47,801,165	-	9,409,927	5,843,155	51,367,937	33,522,502	12,118,678
Vehicles	14,043,778	-	9,798,513	717,512	23,124,779	5,288,889	-	4,926,547	589,244	9,626,192	13,498,587	8,754,889
TOTAL	227,361,752	-	48,337,464	7,804,908	267,894,308	188,207,865	-	22,296,639	7,608,777	202,895,727	64,998,581	39,153,887
Previous year	206,334,853	2,434,789	21,958,281	3,366,171	227,361,752	170,464,391	2,095,064	18,254,394	2,605,984	188,207,865	39,153,887	

10 INTANGIBLE ASSETS

	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	BALANCE AS AT APRIL 1, 2016 (₹)	ADJUSTMENT (SEE NOTE BELOW) (₹)	ADDITIONS (₹)	DISPOSALS (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT APRIL 1, 2016 (₹)	ADJUSTMENT (SEE NOTE BELOW) (₹)	AMORTISATION CHARGE FOR THE YEAR (₹)	ON DISPOSALS (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT MARCH 31, 2017 (₹)	BALANCE AS AT MARCH 31, 2016 (₹)
Computer software	64,725,334	-	18,889,231	-	83,614,565	55,351,917	-	6,850,125	-	62,202,042	21,412,523	9,373,417
TOTAL	64,725,334	-	18,889,231	-	83,614,565	55,351,917	-	6,850,125	-	62,202,042	21,412,523	9,373,417
Previous year	51,142,157	8,236,301	5,346,876	-	64,725,334	42,100,075	6,917,992	6,333,850	-	55,351,917	9,373,417	
TOTAL TANGIBLE & INTANGIBLE ASSETS	292,087,086	-	67,226,695	7,804,908	351,508,873	243,559,782	-	29,146,764	7,608,777	265,097,769	86,411,104	48,527,304
Previous year	257,477,010	10,671,090	27,305,157	3,366,171	292,087,086	212,564,466	9,013,056	24,588,244	2,605,984	243,559,782	48,527,304	

Note: Represents assets pertaining to IDFC Investment Advisors Limited transferred on amalgamation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

11 NON-CURRENT INVESTMENTS (TRADE, AT COST UNLESS STATED OTHERWISE)

	FACE VALUE (₹)	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
		QUANTITY	(₹)	QUANTITY	(₹)
Unquoted equity shares (fully paid)					
Investment in subsidiaries (unquoted)					
IDFC Investment Managers (Mauritius) Limited	62	407,290	25,069,224	407,290	25,069,224
			25,069,224		25,069,224
Investment in Equity Shares (unquoted)					
MF Utilities India Private Limited	1	500,000	500,000	500,000	500,000
			500,000		500,000
Investment in Preference Shares (unquoted)					
0% Moser Baer Solar Limited (optionally convertible)	10	61,290,000	500,000	61,290,000	500,000
			500,000		500,000
Investments in Venture Capital Units (Unquoted)					
IDFC Spice Fund		10,000	10,000	10,000	10,000
			10,000		10,000
Investment in mutual funds (quoted)					
IDFC Yearly Series Interval Fund-Series I-Growth-Direct Plan		-	-	420,066	5,000,000
IDFC Yearly series Interval Fund-Series II-Growth-Direct Plan		417,199	5,000,000	417,199	5,000,000
IDFC Yearly series Interval Fund-Series III-Growth-Direct Plan		-	-	416,084	5,000,000
IDFC Nifty ETF		12,072	1,049,767	-	-
IDFC Sensex ETF		3,741	1,049,974	-	-
			7,099,741		15,000,000
Aggregate amount of investments in quoted mutual funds					
Cost			7,099,741		15,000,000
Market value (Net asset value)			8,161,198		16,534,167
Investment in mutual funds (unquoted)					
IDFC Super Saver Income Fund-Medium Term Plan-Growth-Direct Plan		241,765	5,000,000	241,765	5,000,000
IDFC Dynamic Bond Fund-Growth-Direct Plan		348,029	5,000,000	348,029	5,000,000
IDFC Dynamic Equity Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
IDFC Government Securities Fund-Provident Fund-Growth-Direct Plan		204,552	5,000,000	204,552	5,000,000
IDFC Classic Equity Fund-Growth-Direct Plan		156,504	5,000,000	156,504	5,000,000
IDFC Premier Equity Fund-Growth-Direct Plan		68,914	5,000,000	68,914	5,000,000
IDFC Imperial Equity Fund-Growth-Direct Plan		180,629	5,000,000	180,629	5,000,000
IDFC Equity Fund-Growth-Direct Plan		204,679	5,000,000	204,679	5,000,000
IDFC Arbitrage Fund-Growth-Direct Plan		268,680	5,000,000	268,680	5,000,000
IDFC Sterling Equity Fund-Growth-Direct Plan		137,398	5,000,000	137,398	5,000,000
IDFC Arbitrage Plus Fund-Growth-Direct Plan		216,200	3,540,000	216,200	3,540,000
IDFC Tax Advantage (ELSS) Fund-Growth-Direct Plan		124,904	5,000,000	124,904	5,000,000
IDFC Asset Allocation Fund of Fund-Conservative Plan-Growth-Direct Plan		79,529	1,280,000	79,529	1,280,000
IDFC Asset Allocation Fund of Fund-Moderate Plan-Growth-Direct Plan		215,738	3,720,000	215,738	3,720,000
IDFC Asset Allocation Fund of Fund-Aggressive Plan-Growth-Direct Plan		201,531	3,610,000	201,531	3,610,000
IDFC Monthly Income Plan-Growth-Direct Plan		296,653	5,000,000	296,653	5,000,000
IDFC Nifty Fund-Growth-Direct Plan		98,659	1,620,000	98,659	1,620,000
IDFC Infrastructure Fund-Growth-Direct Plan		423,920	4,970,000	423,920	4,970,000
IDFC Banking Debt Fund-Growth-Direct Plan		414,120	5,000,000	414,120	5,000,000
IDFC Money Manager Fund-Investment Plan-Growth-Direct Plan		228,005	5,000,000	228,005	5,000,000
IDFC All Seasons Bond Fund-Growth-Direct Plan		110,773	2,430,000	110,773	2,430,000
IDFC Ultra Short Term Fund-Growth-Direct Plan		253,691	5,000,000	253,691	5,000,000
IDFC Government Securities Fund-Investment Plan-Growth-Direct Plan		295,440	5,000,000	295,440	5,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

11 NON-CURRENT INVESTMENTS (TRADE, AT COST UNLESS STATED OTHERWISE) (continued)

	FACE VALUE (₹)	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
		QUANTITY	(₹)	QUANTITY	(₹)
IDFC Cash Fund-Growth-Direct Plan		2,921	5,000,000	2,921	5,000,000
IDFC Money Manager Fund-Treasury Plan-Growth-Direct Plan		224,028	5,000,000	224,028	5,000,000
IDFC Government Securities Fund-Short Term Plan-Growth-Direct Plan		30,313	612,000	30,313	612,000
IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan		143,738	5,000,000	143,738	5,000,000
IDFC Super Saver Income Fund-Short Term Plan-Growth-Direct Plan		171,318	5,000,000	171,318	5,000,000
IDFC Corporate Bond Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
IDFC Balanced Fund-Growth-Direct Plan		500,000	5,000,000	-	-
IDFC Credit Opportunities Fund-Growth-Direct Plan		500,000	5,000,000	-	-
			136,782,000		126,782,000
Aggregate amount of investments in unquoted mutual funds					
Cost			136,782,000		126,782,000
Market value (Net asset value)			163,100,649		131,925,353
Market value of investments in unquoted mutual funds represents the Net Asset Value of the units issued by the mutual funds.					
TOTAL NON-CURRENT INVESTMENTS			169,960,965		167,861,224

12 DEFERRED TAX ASSET (NET)

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	(₹)	(₹)	(₹)	(₹)
Deferred tax asset				
(a) Provisions: Lease equalisation	3,286,000		3,555,000	
(b) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	22,199,000		26,032,000	
		25,485,000		29,587,000
DEFERRED TAX ASSET (NET)		25,485,000		29,587,000

13 LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	(₹)	(₹)	(₹)	(₹)
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Advances to employees	-	1,586,254	-	1,793,111
Loans and advances to related parties	-	-	-	318,119
Other receivables	-	-	-	538,621
Security deposits	106,080,335	982,975	70,687,205	28,667,725
Capital/supplier advances	633,715	10,779,109	4,437,963	3,806,319
Gratuity receivable (read with note 23)	-	915,171	-	1,185,911
Other loans and advances				
Advance tax (Net of provision of ₹846,130,738; Previous year ₹894,263,262)	42,065,917	-	48,104,974	-
Fringe benefit tax (Net of provision ₹13,053,367; Previous year ₹13,053,367)	86,646	-	86,646	-
Balances with government authorities - Service tax credit receivable	-	27,712,493	-	16,578,363
Prepaid expenses	2,033,051	17,416,454	2,358,824	40,330,098
	150,899,664	59,392,456	125,675,612	93,218,267

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

14 CURRENT INVESTMENTS

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	QUANTITY	(₹)	QUANTITY	(₹)
Investment in mutual funds (unquoted)				
IDFC Dynamic Bond Fund-Growth-Direct Plan	50,226,198	816,792,099	62,006,091	965,625,640
IDFC Ultra Short Term Fund-Growth-Direct Plan	-	-	4,668,264	97,000,000
IDFC Cash Fund-Growth-Direct Plan	240,144.6	471,859,280	305,265	554,380,717
IDFC Super Saver Income Fund-Medium Term Plan-Growth-Direct Plan	-	-	2,973,715	61,500,000
IDFC Super Saver Income Fund-Short Term Plan-Growth-Direct Plan	-	-	777,529	20,000,000
IDFC Corporate Bond Fund-Growth-Direct Plan	20,000,000	200,000,000	20,000,000	200,000,000
IDFC Arbitrage Fund-Growth-Direct Plan	27,112,033	500,000,000	-	-
		1,988,651,379		1,898,506,357
Aggregate amount of investments in unquoted mutual funds				
Cost		1,988,651,379		1,898,506,357
Market value (Net asset value)		2,256,667,165		2,105,604,664
Market value of investments in unquoted mutual funds represents the Net Asset Value of the units issued by the mutual funds.				
Investment in mutual funds (quoted)				
IDFC Fixed Term Plan Series 49-Growth-Direct Plan	-	-	5,000,000	50,000,000
IDFC Fixed Term Plan Series 54-Growth-Direct Plan	-	-	1,000,000	10,000,000
IDFC Fixed Term Plan Series 52-Growth-Direct Plan	-	-	1,371,625	13,716,249
IDFC Fixed Term Plan Series 66-Growth-Direct Plan	5,836,945	58,369,447	5,836,945	58,369,447
IDFC Fixed Term Plan Series 74-Growth-Direct Plan	3,000,000	30,000,000	3,000,000	30,000,000
IDFC Fixed Term Plan Series 78-Growth-Direct Plan	6,000,000	60,000,000	6,000,000	60,000,000
IDFC Fixed Term Plan Series 97-Growth-Direct Plan	2,750,000	27,500,000	2,750,000	27,500,000
IDFC Yearly series Interval Fund-Series I-Growth-Direct Plan	-	-	1,379,602	15,000,000
		175,869,447		264,585,696
Aggregate amount of investments in quoted mutual funds				
Cost		175,869,447		264,585,696
Market value (Net asset value)		229,123,222		318,388,601
TOTAL CURRENT INVESTMENTS		2,164,520,826		2,163,092,053

15 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	(₹)	(₹)	(₹)	(₹)
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Outstanding for a period less than six months	-	84,825,111	-	110,788,130
	-	84,825,111	-	110,788,130

16 CASH AND BANK BALANCES

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	(₹)	(₹)	(₹)	(₹)
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Cash and cash equivalents				
Balances with banks:				
In current accounts	-	21,574,863	-	45,707,506
	-	21,574,863	-	45,707,506

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

17 REVENUE FROM OPERATIONS

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Management fees (Net of service tax ₹423,742,094; Previous year ₹424,012,003)	2,840,322,398	3,046,932,643
Portfolio management fees	58,286,640	88,252,473
Advisory fees	21,040,557	20,947,468
	2,919,649,595	3,156,132,584

18 OTHER INCOME

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Interest on income tax refund	602,165	-
Other interest	559,148	36,693
Net gain/loss on sale of current investments	174,799,297	99,226,323
Profit on sale of fixed assets (net)	322,460	171,742
Miscellaneous income	370,414	387,434
	176,653,484	99,822,192

19 EMPLOYEE BENEFITS EXPENSE

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Salaries and bonus (refer note (a) below)	478,418,351	510,081,591
Contribution to provident and other funds (refer note 23)	45,155,344	35,447,973
Staff welfare expenses	14,064,410	17,786,670
TOTAL	537,638,105	563,316,234

(a) Salaries and bonus includes reversal of bonus provision for year ended March 31, 2016 of ₹17,237,676 (Previous year shortfall of ₹2,550,000) on account of change in estimate in provision of bonus.

20 OTHER EXPENSES

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Rent	111,100,296	107,156,317
Rates & taxes	7,044,630	2,305,656
Electricity	12,737,360	13,488,675
Repairs and maintenance		
Equipments	7,541,263	2,587,523
Others	40,143,765	36,432,092
Insurance charges	900,251	1,032,551
Travelling and conveyance	22,025,887	25,349,489
Printing and stationery	18,793,685	20,221,365
Communication costs	39,786,299	31,378,537
Advertising and publicity	51,728,334	92,179,040
Listing & rating Fees	119,176	2,394,106
Professional fees	134,941,979	108,668,923
Directors' sitting fees	675,000	485,000
Membership and subscription	47,702,795	41,847,720
Computer Software Expenses	23,332,652	13,996,218
Auditors' remuneration (refer note (a) below)	2,389,007	2,291,781

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Scheme issue expenses (refer note (b) below)	48,806,106	60,912,846
Shared service cost (refer note (c) below)	24,006,662	12,229,176
Operational costs (refer note (d) below)	498,278,017	435,806,163
Contribution to IDFC Foundation towards corporate social responsibility expenses	27,464,000	19,408,000
Miscellaneous expenses	9,985,548	10,115,849
	1,129,502,712	1,040,287,027

(a) Break up of auditors' remuneration:

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Audit fee	1,150,000	1,245,000
Tax audit fee	300,000	300,000
Other services	860,230	665,000
Out of pocket expenses	78,777	81,781
	2,389,007	2,291,781

(b) Scheme issue expenses are the expenses incurred by the Company towards launching of schemes and plans of IDFC Mutual Fund during the year.

(c) Shared service cost represents reimbursement to holding company/fellow subsidiary under a shared service agreement (Net of recoveries ₹250,287; Previous year ₹Nil)

(d) Operational costs amongst other include expenses which are incurred by mutual fund schemes over and above the expense limits prescribed by SEBI, interest charged by bank to the Mutual Fund on account of temporary borrowings or overdrafts and payments made to investors of Mutual Fund on account of delay in payment of redemption proceeds which are borne by the Company.

(e) Expenses incurred on behalf of schemes of IDFC Mutual Fund are charged to the Statement of Profit and Loss unless considered recoverable from schemes.

21 EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Advertising - Media	54,529	16,665,846
Foreign travel	77,811	260,312
Staff Training	159,986	-
Other professional fees	2,176,896	9,370,390

22 EARNINGS IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Advisory Fees - Natixis Asia Asset Management Limited (formerly Absolute Asia Asset Management Limited)	21,040,557	20,947,468

23 In accordance with Accounting Standard 15 on 'Employee Benefits' the following disclosures have been made:

i. The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
Provident fund	17,641,861	16,286,141
Superannuation fund	1,028,503	1,111,721
Pension fund	2,668,815	2,127,875
Labour welfare fund	1,466	478

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

- ii. The details of the Company's post - retirement gratuity benefit plans for gratuity for its employees are given below which are certified by the actuary and relied upon by the auditors:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	63,355,202	47,753,657
Current service cost	11,356,031	9,542,197
Interest cost	5,602,591	4,190,297
Liabilities extinguished on settlement	-	-
Liabilities assumed on acquisition / (settled on divestiture)	2,439,594	4,252,725
Benefits paid	(14,172,845)	(7,982,591)
Actuarial Losses / (Gain)	8,866,422	5,598,917
Past Service Cost	-	-
Closing Defined Benefit Obligation	77,446,995	63,355,202
Unrecognised Past Service Cost	-	-
Liability at the end of the year	77,446,995	63,355,202
FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at the beginning of the year	48,824,306	46,642,243
Expected return on plan assets	4,423,091	4,129,931
Contributions	14,530,896	1,111,414
Benefits paid	(14,172,845)	(7,982,591)
Actuarial gain / (loss) on plan assets	26,848	(524,771)
Unrecognised past service cost	-	-
Assets acquired on acquisition	-	5,448,080
Fair value of plan assets at the end of the year	53,632,296	48,824,306
Total actuarial loss / (gain) to be recognised	8,839,574	6,123,688
ACTUAL RETURN ON PLAN ASSETS:		
Expected return on plan assets	4,423,091	4,129,931
Actuarial gain / (loss) on plan assets	26,848	(524,771)
Actual return on plan assets	4,449,939	3,605,160
AMOUNT RECOGNISED IN THE BALANCE SHEET:		
Liability at the end of the year	77,446,995	63,355,202
Fair value of plan assets at the end of the year	(53,632,296)	(48,824,306)
Amount recognised in the balance sheet under "Provision for employee benefits"	23,814,699	14,530,896
Amount receivable recognised in the balance sheet under "Loans and advances"	(915,171)	(1,185,911)
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	11,356,031	9,542,197
Interest cost	5,602,591	4,190,297
Expected return on plan assets	(4,423,091)	(4,129,931)
Net actuarial loss / (gain) to be recognised	8,839,574	6,123,688
Past Service Cost	-	-
Loss/(Gains) on Acquisition / Divestiture	2,439,594	(1,195,355)
Expense recognised in the statement of profit and loss under 'Employee benefits expense'	23,814,699	14,530,896
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:		
Opening net Liability	14,530,896	1,111,414
Expense recognised	23,814,699	14,530,896
Contribution by the Company	(14,530,896)	(1,111,414)
Amount recognised in the balance sheet under "Gratuity"	23,814,699	14,530,896
Expected employer's contribution next year	10,000,000	10,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Experience adjustments:

	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2013
	(₹)	(₹)	(₹)	(₹)	(₹)
Defined benefit obligation	77,446,995	63,355,202	47,753,657	34,829,206	25,897,310
Plan assets	53,632,296	48,824,306	46,642,243	32,116,168	25,897,310
Surplus/(deficit)	(23,814,699)	(14,530,896)	(1,111,414)	(2,713,038)	-
Exp. Adj. on Plan Liabilities	4,398,497	5,998,246	2,320,620	3,130,977	(782,789)
Exp. Adj. on Plan Assets	26,848	(524,771)	1,091,871	(753,684)	3,863,873

	MARCH 31, 2017	MARCH 31, 2016
	(%)	(%)
Investment pattern:		
Insurer managed funds	100.00	100.00
Principal assumptions:		
Discount rate (p.a.)	7.10	8.00
Expected rate of return on assets (p.a.)	7.50	9.00
Salary escalation rate (p.a.)	8.00	8.00

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

24 The Company is engaged in the business of providing Asset Management Services to IDFC Mutual Fund, Investment Advisory and Portfolio Management Services. During the year ended March 31, 2017, the Company was engaged in only one business segment and no geographical segment and as such there are no separate reportable segments, as required by Accounting Standard 17 on 'Segment Reporting' as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

25 RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 on "Related Party Disclosures" the related parties of the Company are as follows:

Names of the related parties where control exists irrespective of whether transactions have been occurred or not:

I. Ultimate Holding Company:

IDFC Limited

II. Holding Company:

IDFC Financial Holding Company Limited

III. Subsidiaries:

IDFC Investment Managers (Mauritius) Limited

Names of the related parties with which there are transactions during the year:

IV. Fellow Subsidiaries

IDFC AMC Trustee Company Limited

IDFC Foundation

IDFC Bank Limited

IDFC Alternatives Limited

IDFC Securities Limited

IDFC Infrastructure Finance Company Limited

V. Key management personnel:

Mr. Vishal Kapoor - Chief Executive Officer (w.e.f. September 14, 2016)

Mr. Kalpen Parekh - Chief Executive Officer (upto September 13, 2016)

Mr. Naval Bir Kumar - Vice Chairperson (upto October 31, 2015)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

The nature of transactions carried out with the above related parties in the ordinary course of business are as follows:

		MARCH 31, 2017	MARCH 31, 2016
		(₹)	(₹)
I. Holding Company/Ultimate Holding Company:			
IDFC Limited	Reimbursement of expenses	35,259,285	2,817,316
	Shared service cost paid (net of recovery)	2,938,263	3,125,256
	Recovery of expenses / cost of asset	710,809	243,219
II. Subsidiaries:			
IDFC Investment Managers (Mauritius) Limited	Purchase of equity shares	-	16,525,000
III. Fellow Subsidiaries:			
IDFC AMC Trustee Company Limited	Recovery of expenses	134,236	318,356
IDFC Foundation	CSR Contribution	27,464,000	19,408,000
	Recovery of expenses	414,111	-
IDFC Bank Limited	Reimbursement of expenses	681,792	2,777,150
	Shared service cost paid	21,302,000	9,103,920
	Recovery of expenses / cost of asset	1,868,449	1,712,397
	Balance receivable	-	318,119
	Current Account Balance	4,634,160	2,680,832
	Current Account Balance (Investor Education and Awareness)	3,974,833	3,137,428
IDFC Alternatives Limited	Shared Services Cost Recovered	91,771	-
	Recovery of expenses / cost of asset	3,260,866	-
IDFC Securities Limited	Brokerage Paid	78,313	-
	Shared Services Cost Recovered	125,144	-
	Recovery of expenses / cost of asset	3,708,127	-
IDFC Infrastructure Finance Company Limited	Shared Services Cost Recovered	16,686	-
	Recovery of expenses	685,110	-
IV. Key Management Personnel:			
Mr. Vishal Kapoor - Chief Executive Officer (w.e.f. September 14, 2016)	Remuneration paid	13,423,281	-
	Reimbursement of business expenses	56,584	-
Mr. Kalpen Parekh - Chief Executive Officer (upto September 13, 2016)	Remuneration paid	22,940,271	27,172,934
	Reimbursement of business expenses	213,554	42,915
Mr. Naval Bir Kumar - Vice Chairperson (upto October 31, 2015)	Remuneration paid	-	34,335,435
	Reimbursement of business expenses	-	6,939

26 In accordance with Accounting Standard 19 on 'Leases' the following disclosures in respect of operating leases are made:

i The Company had taken vehicles for two employees under cancellable operating leases which is included under salaries as follows:

NAME OF THE LESSOR	LATEST EXPIRY DATE	MARCH 31, 2017	MARCH 31, 2016
		(₹)	(₹)
ALD Automotive Private Limited	September 2016	-	1,132,044

The total future minimum lease payments under cancellable operating lease for each of the periods is given below:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
Not later than one year	-	120,880

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

- ii. The Company has entered into cancellable as well as non-cancellable leasing arrangements for office premises at various locations in India generally for a period of 36 months. As per the term of the lease all maintenance charges and municipal levies are borne by the lessee.

The total future minimum lease payments under non-cancellable operating lease for each of the periods is given below:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
Not later than one year	84,031,489	78,762,686
Later than one year and not later than five years	148,185,867	220,489,671

The terms of renewal and escalation clauses are those normally prevalent in similar agreements.

27 In accordance with Accounting Standard 20 on 'Earnings Per Share':

The basic / diluted earnings per share has been calculated based on the following:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
Net profit after tax	972,814,191	1,100,409,929
Net amount available for equity shareholders	972,814,191	1,100,409,929
Weighted average number of equity shares (Nos.)	2,679,045	2,679,045
Basic and diluted earnings per equity share (₹)	363.12	410.75

28 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for ₹17,085,540 (Previous year ₹8,959,646).

29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
(a) Claims not acknowledged as debts in respect of :		
i. Reversal of Cenvat credit under protest.	13,033,744	6,481,420
(b) Income Tax demand on Mutual Fund on account of non-payment of tax on income from pass through certificates by the issuing trust.	-	4,860,729

30 Details of Specified Bank Notes ("SBN") held and transacted during the period 08/11/2016 to 30/12/2016

PARTICULARS	SBNS	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	-	-	-
(-) Permitted receipts	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

31 As per information available with the Company, there are no micro, small or medium enterprises as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006', to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

32 CORPORATE SOCIAL RESPONSIBILITY (CSR)

(a) As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to contribute ₹27,463,135 (Previous year ₹19,407,794) during the financial year towards Corporate Social Responsibility.

(b) The Company has contributed ₹27,464,000 (Previous year ₹19,408,000) to IDFC Foundation during the year and recognised as expense in the statement of profit and loss on CSR related activities, which comprise of following:

PARTICULARS	YEAR ENDED MARCH 31, 2017			YEAR ENDED MARCH 31, 2016		
	IN CASH	YET TO BE PAID IN CASH	TOTAL	IN CASH	YET TO BE PAID IN CASH	TOTAL
i. Construction/acquisition of any asset	-	-	-	-	-	-
ii. On purposes other than (i) above	2,746,135	-	2,746,135	19,407,794	-	19,407,794

33 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

YEAR OF REMITTANCE (ENDING ON)	MARCH 31, 2017	MARCH 31, 2016
Period to which it relates	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	669,762	669,762
Amount remitted (in USD)	3,022,749	2,029,582
Amount remitted (in INR)	204,277,410	130,603,590

34 EMPLOYEE STOCK OPTIONS

During the year ended March 31, 2017, Employee Stock Option Scheme ('ESOS') were granted by IDFC Limited (Ultimate Holding Company) to the eligible employees of the Company. The exercise price of these ESOS was market price, thus no cost has been allocated to the Company.

35 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.

IDFC INVESTMENT MANAGERS (MAURITIUS) LTD.

DIRECTORS Mr. Sahjahan Ally Nauthoo
Mr. Sevin Chendriah

AUDITORS Ernst & Young

**PRINCIPAL
BANKER** Deutsche Bank
(Mauritius) Limited

**REGISTERED
OFFICE** C/o Cim Fund Services Ltd
33, Edith Cavell Street
Port Louis, Mauritius



GENERAL INFORMATION

IDFC Investment Managers (Mauritius) Ltd. (the “Company”) was incorporated on 13 September 2010 as a private company limited by shares and holds a Category 1 Global Business Licence Company issued by the Financial Services Commission. The Company is licenced to operate as a CIS Manager pursuant to Section 98 of the Securities Act 2005 and the Financial Services (Consolidated Licensing and Fees) Rules 2008.

The principal activity of the Company is to provide investment management services.

Since last year, the Company has entered into an investment management agreement with India Multi-Avenues Fund Limited (previously known as IDFC Focus Fund Limited), a fund incorporated in Mauritius on 22 May 2015.

The Company holds standards of corporate governance through awareness of business ethics and supervision of its management team by the Board of directors.

The main objects and functions of the Board as regards Corporate Governance are to:

- determine, agree and develop the Company’s general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that it has discharged its responsibilities for the year in respect of Corporate Governance.

THE BOARD OF DIRECTORS

The directors have been selected based on their professional background and expertise to positively contribute to the Board’s activities. The Board is currently made up of two resident directors.

DIRECTORS

Resident

Mr. Sahjahan Ally Nauthoo

Mr. Sevin Chendriah

The Board is responsible for directing the affairs of the Company in the best interests of shareholders, in conformity with legal and regulatory framework, and consistent with its constitution and best governance practices.

THE DIRECTORS’ PROFILE

Mr. Sahjahan Ally Nauthoo

Mr Nauthoo is a Fellow of the Association of Chartered Certified Accountants - UK and holds a Bachelor of Business Science (Hons) degree in the field of Accountancy with the University of Mauritius. He is also a Member of the Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

He has over 11 years of experience in the global business sector and 2 years of experience in the field of banking and finance. He has gained wide experience in the structuring, setting up and administration including secretarial, accounting, taxation and compliance of offshore funds and companies. He serves as director and authorised signatory for a large number of funds/companies administered by Cim Global Business. He is currently a Senior Manager and prior to joining Cim Global Business, he also worked for 5 years with International Financial Services Limited.

Mr. Sevin Chendriah

Mr. Chendriah holds a Bsc (Hons) in Management with Finance from the University of Mauritius. He joined Cim Group in 2007 and has gained wide experience in corporate secretarial, administration, compliance and legal field. He has also been broadly involved in the structuring, setting-up, taxation and administration of Global Business entities promoted by a wide portfolio of clients, including large multi-national Companies and high net-worth individuals.

CONSTITUTION

The Constitution of the Company was adopted on 19 August 2010 and same was subsequently altered on 26 December 2014 to insert a clause on Arbitration.

BOARD MEETINGS

The Board has at least one scheduled meeting each year during which it:

1. examines all statutory matters;
2. approves the audited financial statements and reviews important accounting issues;
3. reviews the Company's performance;
4. ensures compliance of the Company with the legislations; and
5. takes note of changes in the legislations which may affect the Company.

In addition, the Board meets whenever necessary to discuss urgent business.

The Board papers are usually sent to the directors one week in advance, except where urgent meetings are convened.

During the year under review, the Board met five times and the table below shows the attendance of directors either physically or by alternates at meetings held from 01 April 2016 to 31 March 2017:

Directors	Attendance at Board
Mr. Sevin Chendriah	5/5
Mr. Sahjahan Ally Nauthoo	5/5

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

BOARD COMMITTEES

The Board of directors collectively considers the measures in respect of the Code of Corporate Governance issues. Due to the size of the Board, no sub-committees (Audit Committees, The Corporate Governance Committee, Board Risk Committee, Remuneration Committee and the Nomination Committee) have been established.

STATEMENT OF REMUNERATION POLICY

Cim Fund Services Ltd is paid USD 8,000 per annum for fee provision of directorship services.

IDENTIFICATION OF KEY RISKS FOR THE COMPANY

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

FINANCIAL RISK FACTORS

The financial risk factors have been set out in note 13 of these financial statements.

RELATED PARTY TRANSACTIONS

The related party transactions have been set out in note 12 of these financial statements.

CODE OF ETHICS, HEALTH AND SAFETY AND SOCIAL ISSUES

These issues are not applicable to the Company given the nature of activities of the Company and the fact that the Company has no employees. The Company is managed under service agreements with third parties detailed in the Corporate Data section.

ENVIRONMENT

Due to the nature of its activities, the Company has no adverse impact on the environment.

COMMENTARY OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2017

CORPORATE SOCIAL RESPONSIBILITY AND DONATIONS

During the year, the Company has not made any donations.

NATURE OF BUSINESS

The principal activity of the Company is that of a CIS Manager.

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

The auditor's report is set out on pages 8 to 10 and the statement of profit or loss and other comprehensive income is set out on page 12 of this financial statements.

AUDIT FEES

Audit fees payable to Ernst & Young (Mauritius) for the year amounted to USD 4,800 (excluding VAT and any disbursements).

APPRECIATION

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

The directors are pleased to present their commentary, together with the audited financial statements of IDFC Investment Managers (Mauritius) Ltd. for the year ended 31 March 2017.

STATUS AND PRINCIPAL ACTIVITY

IDFC Investment Managers (Mauritius) Ltd. (the "Company") was incorporated on 13 September 2010 in the Republic of Mauritius and obtained its Category 1 Global Business Licence on 14 September 2010.

The principal activity of the Company is to provide investment management services. The Company has entered into an investment management agreement with India Multi-Avenues Fund Limited (previously known as IDFC Focus Fund Limited), a fund incorporated in Mauritius on 22 May 2015.

RESULTS

The Company's loss for the year under review is USD 32,623 (2016: loss of USD 34,287).

The directors do not recommend the payment of a dividend for the year under review.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position at 31 March 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and applying appropriate accounting policies; and making account estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. The Company has enough funds to meet its liabilities and those of the fund in the coming year.

AUDITORS

The auditors, Ernst & Young, have indicated their willingness to continue in office.

SECRETARY'S CERTIFICATE UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001

We, Cim Fund Services Ltd, certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required for IDFC Investment Managers (Mauritius) Ltd. under the Companies Act 2001 for the financial year ended 31 March 2017.

For and on behalf of

Cim Fund Services Ltd
Company Secretary

Date: 13 April 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF

IDFC INVESTMENT MANAGERS (MAURITIUS) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDFC INVESTMENT MANAGERS (MAURITIUS) LIMITED (the "Company") set out on pages 11 to 24 which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of **IDFC INVESTMENT MANAGERS (MAURITIUS) LIMITED** as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Dynamic information, commentary of the directors and the certificate from the Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report is made solely for the Company's member in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

ROGER DE CHAZAL, A.C.A.
Licensed by FRC

Date: April 13, 2017

STATEMENT OF FINANCIAL POSITION

as at March 31, 2017

		2017	2016
	NOTES	USD	USD
ASSETS			
Current assets			
Other receivables	6	75,945	49,355
Prepayments	6a	4,413	3,939
Cash at bank	7	161,193	220,880
TOTAL ASSETS		241,551	274,174
EQUITY AND LIABILITIES			
Equity and reserves			
Stated capital	8	407,290	407,290
Accumulated losses		(175,489)	(142,866)
TOTAL EQUITY		231,801	264,424
Current liabilities			
Accrued expenses	9	9,750	9,750
TOTAL EQUITY AND LIABILITIES		241,551	274,174

These financial statements have been approved and authorised for issue by the Board of directors on 13 April 2017 and signed on its behalf by:

NAME OF DIRECTORS

Mr. Sahjahan Ally Nauthoo Mr. Sevin Chendriah

The notes on pages 11 to 17 form an integral part of these financial statements. Independent Auditors' report on pages 5 to 6.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended March 31, 2017

		2017	2016
	NOTES	USD	USD
INCOME		-	-
EXPENSES			
Fees paid on behalf of India Multi-Avenues Fund Limited		26,589	41,055
Receivable from India Multi-Avenues Fund Limited		(26,589)	(41,055)
Write off of fees paid in respect of funds		-	3,500
Professional fees		12,613	11,000
Audit fees		5,750	5,980
Administration fees		5,000	5,000
Licence and annual registration fees		4,060	4,059
Insurance cover		3,545	3,555
Disbursement		580	490
Bank charges		375	503
TRC renewal fees		700	200
TOTAL EXPENSES		32,623	34,287
Operating loss for the year		(32,623)	(34,287)
Income tax expense	11	-	-
Loss for the year		(32,623)	(34,287)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(32,623)	(34,287)

The notes on pages 11 to 17 form an integral part of these financial statements. Independent Auditors' report on pages 5 to 6.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2017

	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL
	USD	USD	USD
At 01 April 2015	157,290	(108,579)	48,711
Issue of shares (note 8)	250,000	-	250,000
Loss for the year	-	(43,543)	(43,543)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(43,543)	(43,543)
At 31 March 2016	407,290	(142,866)	264,424
Loss for the year	-	(32,623)	(32,623)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(32,623)	(32,623)
At 31 March 2017	407,290	(175,489)	231,801

The notes on pages 11 to 17 form an integral part of these financial statements. Independent Auditors' report on pages 5 to 6.

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2017

		2017	2016
	NOTE	USD	USD
OPERATING ACTIVITIES			
Loss before tax		(32,623)	(34,287)
Adjustments to reconcile loss before tax to net cash flows:		-	3,500
Working capital adjustments:			
Net change other receivables and prepaid expenses		(27,064)	(41,046)
Net change in accrued expenses		-	230
Net cash flows used in operating activities		(59,687)	(71,603)
FINANCING ACTIVITIES			
Proceeds from issue of shares	8	-	250,000
NET CASH FLOW FROM FINANCING ACTIVITIES		-	250,000
Net change in cash and cash equivalents		(59,687)	178,397
Cash and cash equivalents at 01 April		220,880	42,483
CASH AND CASH EQUIVALENTS AT 31 MARCH		161,193	220,880

Note: Cash and cash equivalents comprise cash at bank.

The notes on pages 11 to 17 form an integral part of these financial statements. Independent Auditors' report on pages 5 to 6.

01. CORPORATE INFORMATION

IDFC Investment Managers (Mauritius) Ltd. (the "Company") is a private company limited by shares, incorporated in the Republic of Mauritius on 13 September 2010, with registered address at C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission (FSC).

The principal activity of the Company is to provide investment management services.

The Company provides investment management services to India Multi-Avenues Fund Limited (previously known as IDFC India Focus Fund Limited), a fund incorporated in Mauritius on 22 May 2015, to which the Company provides investment management services.

02. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention.

2.1 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

03. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Foreign currency transactions**Functional and presentation currency**

The Company's functional currency is the USD, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in USD. Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company's presentation currency is also in USD.

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities are translated at the spot rate of exchange ruling at the reporting date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition gain or loss on change in fair value of the item (i.e. translation differences are recognised in other comprehensive income or profit or loss).

Financial assets**Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash at bank and other receivables.

Subsequent measurement**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss. The losses arising from impairment are recognised in profit or loss.

Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net realisable price and value in use, that is the present value of estimated future cash flows expected to arise from continuing to use the assets and from its disposals at the end of its useful life.

An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at revalued amount in which case the impairment loss is recognised against the revaluation or fair value reserve for the assets to the extent that the impairment loss does not exceed the amount held in the revaluation or fair value reserve for that same asset. Any excess is recognised immediately in profit or loss.

Financial liabilities**Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include accrued expenses only.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Derecognition of financial instruments**Financial assets**

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability is substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Stated capital

Ordinary shares are classified as equity, net of costs directly related to the issue of the shares.

Provision

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow embodying economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and sales taxes or duty.

- Management fees are accounted for on an accrual basis.

Related parties transactions

Parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

Expenses

Expenses are accounted for on an accrual basis.

Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from provisions for bad debts and unrealised exchange differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

04. (A) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 01 April 2016:

	EFFECTIVE FOR ACCOUNTING PERIOD BEGINNING ON OR AFTER
Standards	
IFRS 14 Regulatory Deferral Accounts	01 January 2016
Amendments	
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	01 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	01 January 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	01 January 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	01 January 2016
Annual Improvements 2012-2014 Cycle	01 January 2016
Disclosure Initiative (Amendments to IAS 1)	01 January 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	01 January 2016

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

Disclosure Initiative (Amendments to IAS 1)

The amendment address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity’s share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

There has been no impact following the adoption of this standard on the financial statements for the current year as the notes and policies already included in the financial statements provide good understandability and comparability to the users.

04. (B) ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards and interpretations:

	EFFECTIVE FOR ACCOUNTING PERIOD BEGINNING ON OR AFTER
New or revised standards	
IFRS 9 Financial Instruments	01 January 2018
IFRS 15 Revenue from Contracts with Customers	01 January 2018
IFRS 16 Leases	01 January 2019
AMENDMENTS	
	EFFECTIVE DATE DEFERRED INDEFINITELY
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	01 January 2017
Disclosure Initiative (Amendment to IAS 7)	01 January 2017
Annual Improvements 2014 - 2016 Cycle	01 January 2017
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
Transfers of Investment Property (Amendments to IAS 40)	01 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	01 January 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	01 January 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	01 January 2018

Annual Improvements 2014 - 2016 Cycle - 01 January 2017

An assessment of the standards, amendments to existing standards and interpretations that may impact on the Company's financial statements when they become effective, given existing operations and financial position, is as follows:

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments provide additional guidance on the existence of deductible temporary differences, which depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised. No impact is expected given that the Company did not recognize any deferred tax asset in previous years and is not expecting to recognise in the future.

The amendments apply for annual periods beginning on or after 01 January 2017 and early application are permitted.

These amendments are not expected to have any impact on the Company.

IAS 7 Disclosure Initiative (Amendments to IAS 7) - effective 01 January 2017

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 01 January 2017, with early application permitted.

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

05. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future.

Judgements
Recoverability of receivable from India Multi Avenues Fund ('IMAFL')

The Company is the promoter of a new fund namely India Multi-Avenues Fund Limited ("IMAFL") (previously known as IDFC India Focus Fund Limited). The Company also acts as the Investment Manager of IMAFL. IMAFL will invest in a portfolio of securities comprising principally of shares, depository receipts, convertible bonds, debt securities, derivative instruments and units of Mutual Funds worldwide.

However, given that India Multi-Avenues Fund Limited has not yet started trading, the Company is currently incurring all its expenses on its behalf. The directors have made an assessment of the recoverability of the receivable from IMAFL. IDFC Investment Manager (Mauritius) Ltd has entered into an agreement with Greenshoots capital UK Ltd to look for potential investors for IMAFL and have firm intention that the IMAFL will start generating the revenue within the next financial year. The Directors believe that there is no indication of impairment at this stage.

Determination of functional currency

The determination of the functional currency of the Company is important since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in note 3, the directors have considered those factors described therein and have determined that the functional currency of the Company in the USD.

06. OTHER RECEIVABLES

	2017	2016
	USD	USD
Amount receivable from India Multi-Avenues Fund Limited fund (note 12a)	75,945	49,355
(a) PREPAYMENTS		
- Professional indemnity cover	3,242	2,768
- Activity licence fees	500	500
- Financial Services Commission licence fees	438	438
- Annual registration fees	233	233
	4,413	3,939

07. CASH AT BANK

	2017	2016
	USD	USD
Cash at bank	161,193	220,880

08. STATED CAPITAL

	NO. OF SHARES		2017	2016
	2017	2016	USD	USD
At 01 April	407,290	157,290	407,290	157,290
Issue	-	250,000	-	250,000
At 31 March	407,290	407,290	407,290	407,290

09. ACCRUED EXPENSES

	2017	2016
	USD	USD
Audit fees	5,750	5,750
Director fees	2,000	2,000
Administration fees	1,250	1,250
MLRO fees	750	750
	9,750	9,750

10. MANAGEMENT AND ADVISORY FEES
(i) Management fees

The Company has entered into an investment management agreement with India Multi-Avenues Fund Limited (previously known as IDFC India Focus Fund Limited), a fund incorporated in Mauritius on 22 May 2015. During the year under review, the fund has not yet started its trading activities and as such no management fees have been paid.

(ii) Advisory fees

The new fund namely India Multi-Avenues Fund Limited, has not yet started its trading activities and as such no advisory fees have been paid during the year under review.

11. TAXATION

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. At 31 March 2017, the Company had tax losses of USD 151,667 (2016: USD 119,044).

A numerical reconciliation between accounting loss and tax charge is shown below:

(a) Statement of comprehensive income:

	2017	2016
	USD	USD
Loss for the year	(32,623)	(34,287)
Add: Non allowable expenses		3,500
Tax losses	(32,623)	(30,787)
Loss brought forward	(119,044)	(88,257)
Loss carried forward	(151,667)	(119,044)

The tax losses are available for set off against future taxable profit of the Company as follows:

TAX LOSS AT:	CARRIED FORWARD UP TO:	USD
31 March 2013	31 March 2018	(25,228)
31 March 2014	31 March 2019	(31,655)
31 March 2015	31 March 2020	(31,374)
31 March 2016	31 March 2021	(30,787)
31 March 2017	31 March 2022	(32,623)
TOTAL:		(151,667)

12. RELATED PARTY DISCLOSURES

The Company had the following related party transactions during the year.

NAME OF RELATED COMPANY	NATURE OF TRANSACTIONS	RELATIONSHIP	2017	2016
	Expenses paid on behalf IMAFL	Investment Manager	USD	USD
(a) India Multi-Avenues Fund Limited				
At 01 April			49,355	8,300
Additions during the year			26,589	41,055
At 31 March			75,945	49,355
(b) Cim Fund Services Ltd	Administration fees	Professional (including director fees)	3,580	16,580
				13,000

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Fair values

The carrying amounts of cash at bank, other receivables and accrued expenses approximate their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks such as market risk, credit risk, interest rate risk, foreign exchange risk, price risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's financial assets are non-interest bearing. As a result, the Company is not subject to any interest rate risk.

Foreign exchange risk

The Company has no exposure to currency risk as all its financial assets and liabilities are in USD.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial assets which potentially subject to the Company to concentrations of credit risk consist principally of bank balances. Cash at bank are held in reputable financial institutions. Accordingly, the Company has no significant concentration of credit risk. The maximum exposure to credit risk assisting from default of the counterpart, with a maximum exposure equal to the carrying amount of these instruments.

The risk of default for the amount receivable from related company is minimal as the IMAFL will be launching its activities soon and will be able to repay its debt.

The maximum exposure to credit risk at the reporting date was:

	2017	2016
	USD	USD
Amount receivable from India Multi -Avenues Fund Limited	75,945	49,355
Cash and cash equivalents	161,193	220,880
	237,138	270,235

Liquidity risk

The Company maintains and manages liquidity risk through active monitoring of operating cash flows and availability of funding. At the year end, the directors did not consider there to be any significant liquidity risk. Residual and discounted contractual maturities of financial liabilities are presented below:

2017

	ON DEMAND	TOTAL
	USD	USD
Accrued expenses	9,750	9,750

2016

	ON DEMAND	TOTAL
	USD	USD
Accrued expenses	9,750	9,750

14. CAPITAL RISK MANAGEMENT

As per Regulation 38 of the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008, a CIS Manager holding a licence issued by the Financial Services Commission is required to maintain a minimum stated unimpaired capital of at least Mauritian Rupees 1 million or the equivalent amount.

As at 31 March 2017, the Company's minimum stated unimpaired capital has been met.

15. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors consider IDFC Asset Management Company Limited, a Company incorporated in India, as the immediate and ultimate holding company.

16. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies.

17. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for year under review.

IDFC AMC TRUSTEE COMPANY LIMITED

CIN U69990MH1999PLC123190

DIRECTORS Mr. Sunil Kakar (Chairperson)
Mr. Nityanath Ghanekar
Mr. Bharat Raut
Mr. Sridar Venkatesan
Mr. Uday Phadke
Mr. Geoffroy Sartorius
(Till March 20, 2017)

AUDITORS S. R. Batliboi & Co. LLP
Chartered Accountants

**PRINCIPAL
BANKER** IDFC Bank Limited

**REGISTERED
OFFICE** One Indiabulls Centre,
6th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai 400 013
Tel +91 22 6628 9999
Fax + 91 22 2421 5051
Website www.idfcmf.com
Email ID infoidfcmf@idfc.com



BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the audited financial statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

PARTICULARS	(AMOUNT IN ₹)	
	FOR THE PERIOD ENDED MARCH 31, 2017	FOR THE PERIOD ENDED MARCH 31, 2016
Total Income	1,801,110	1,202,513
Less: Total Expenses	1,193,344	1,095,405
Profit before Tax	607,766	107,108
Less: Provision for Tax	183,480	33,100
Profit after Tax	424,286	74,008

COMPANY'S AFFAIRS

The Company is the Trustee to the schemes of IDFC Mutual Fund ("IDFC MF"). The Assets under Management of IDFC MF were ₹ 55,383.40 crore (excluding Fund of Funds Schemes) as on March 31, 2017 as against ₹ 51,448.31 crore as on March 31, 2016.

NEW SCHEME LAUNCHES:

During FY17, below schemes were launched

1. IDFC Nifty Exchange Traded Fund
2. IDFC Sensex Exchange Traded Fund
3. IDFC Balanced Fund
4. IDFC Credit Opportunities Fund
5. IDFC Fixed Term Plan - Series 129
6. IDFC Fixed Term Plan - Series 131

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 5 of the Notes forming part of the financial statements.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended March 31, 2017.

SHARE CAPITAL UPDATE

On March 20, 2017, IDFC discontinued association with Natixis and 12,501 equity share of IDFC AMC Trustee held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited ("IDFC FHCL"), thereby making IDFC AMC Trustee a wholly owned subsidiary of IDFC FHCL.

ALTERATION OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company as currently in force were adopted by the Company at its extra ordinary general meeting held on December 08, 2011 after having an association with Natixis Global Asset Management by executing Share Subscription and Purchase Agreement and Shareholders Agreement. During FY17, the same association was discontinued and the aforesaid agreements were amended accordingly.

Further, the Existing Articles of Association of the Company were referring to the Companies Act, 1956 which was debarred and was replaced with the Companies Act, 2013. The references to specific sections of the erstwhile Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering discontinuation of association with Natixis and that substantive sections of the Companies Act which deal with the general working of the companies stand notified, The Board of Directors of the Company at its meeting held on April 24, 2017, recommended the amendment of the existing Articles of Association to the Shareholders at the ensuing AGM for aligning the Articles with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

PARTICULARS OF EMPLOYEES

The Company does not have any employee.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans or guarantee or investments made by the Company under the provisions of Section 186 of the Companies Act, 2013.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

BOARD'S REPORT

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed as per Section 134(3)(m) are not applicable and hence not given.

DIRECTORS

In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Kakar (DIN: 03055561) would retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for reappointment.

The Board of Directors recommends reappointment of Mr. Sunil Kakar as Director at the ensuing AGM.

Mr. Geoffroy Sartorius (DIN: 03536833) resigned as a Director w.e.f. March 20, 2017.

The Board places on record sincere appreciation for services rendered by him during their tenure.

At the Extra ordinary General Meeting of the Company held on December 19, 2014, Mr. Bharat Raut and Mr. Sridar Venkatesan were appointed as Independent Directors of the Company to hold office from the conclusion of that General Meeting till the conclusion of the 17th Annual General Meeting of the Company to be held for the FY17 i.e. ensuing AGM. As per the provisions of Section 149(10) & (11) of the Companies Act, 2013, Independent Directors can be appointed for another term, if the same is approved by the shareholders by way of Special Resolution. Considering the valuable contributions and continued association of Mr. Bharat Raut and Mr. Sridar Venkatesan, the Board proposed to reappoint them as IDs of the Company for a period of two years from the conclusion of the ensuing AGM till the conclusion of 19th AGM to be held for FY19. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are Independent of the Management. In the opinion of the Board, they are persons of integrity and have the necessary knowledge, experience and expertise for being reappointed as IDs. Mr. Bharat Raut and Mr. Sridar Venkatesan shall not be liable to retire by rotation. The Members are requested to consider reappointment of Mr. Bharat Raut and Mr. Sridar Venkatesan at ensuing AGM.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from IDs, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

MEETINGS OF THE BOARD

During the year, Eight Board meetings were held on April 27, 2016, June 15, 2016, July 21, 2016, September 7, 2016, October 26, 2016, December 21, 2016, January 24, 2017 and March 29, 2017. The gap between any two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013.

Attendance details of Board of Directors for the Board Meetings held during FY17 are given below.

NAME OF THE DIRECTOR	DIN	POSITION	NO. OF MEETINGS HELD IN FY17	NO. OF MEETINGS ATTENDED IN FY17
Mr. Sunil Kakar	03055561	Chairperson	8	8
Mr. Nityanath Ghanekar	00009725	Independent Director	8	8
Mr. Bharat Raut	00066080	Independent Director	8	6
Mr. Sridar Venkatesan	02241339	Independent Director	8	6
Mr. Uday Phadke	00030191	Independent Director	8	8
Mr. Geoffroy Sartorius ¹	03536833	Nominee of NATIXIS Global Asset Management	7	2

¹ Resigned as Director w.e.f. March 20, 2017

AUDIT COMMITTEE

During the year, Four Audit Committee meetings were held on April 27, 2016, July 21, 2016, October 26, 2016 and January 24, 2017. The gap between two meetings was within the limit of the period prescribed under the Companies Act, 2013.

Attendance details of Directors for the Audit Committee Meetings held during FY17 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Nityanath Ghanekar	Independent Director	Chairperson	4	4
Mr. Bharat Raut	Independent Director	Member	4	4
Mr. Sunil kakar ¹	Nominee of IDFC	Member	NA	NA
Mr. Geoffroy Sartorius ²	Nominee of NATIXIS Global Asset Management	Member	4	2

¹ Appointed as a Member w.e.f. April 17, 2017

² Resigned as Director w.e.f. March 20, 2017

BOARD'S REPORT

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on April 27, 2016. All Independent Directors attended the said meeting.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, a detailed questionnaire was prepared and circulated to the Board for Annual evaluation. The Directors discussed and requested for some changes.

The Company is in the process of designing a simplified Questionnaire based on the inputs/views from some of the Independent Directors that would cover the essence of evaluation. For this purpose the Company may engage an External Agency to carry out the entire Annual Board Evaluation process independently. The said process is expected to be completed in due course.

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, having ICAI Firm Registration Number- 301003E, a member firm of Ernst & Young Global Limited, were Statutory Auditors of the Company for FY17. There are no qualifications or observations or other remarks made by the Statutory Auditors in their report for FY17.

S.R. Batliboi & Co. LLP have expressed their unwillingness to act as a Statutory Auditors of the Company after conclusion of ensuing AGM. Audit Committee and Board of Directors of the Company at their respective meetings held on April 24, 2017 have recommended the appointment of Price Waterhouse & Co Chartered Accountants LLP, (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company, in place of S.R. Batliboi & Co. LLP, Chartered Accountants, for a period of five years from the conclusion of the ensuing Annual General Meeting (AGM) of the Company to be held for FY17 till the conclusion of the 22nd AGM of the Company to be held for FY22, subject to approval of the Shareholders of the Company at the ensuing AGM and subsequent ratification on annual basis.

PWC have confirmed that their appointment, if made, would be in conformity with the provisions of Section 141 of the Companies Act, 2013 and have also indicated their willingness to be appointed.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In all related party transactions that were entered into during the financial year, an endeavour was made consistently that they were on an arm's length basis and were in the ordinary course of business. IDFC Group has always been committed to good corporate governance practices, including matters relating to Related Party Transactions.

RISK MANAGEMENT

The Members of the Audit Committee ensure the measurement and control of risk factors and advice on the same to the Management of the Company.

MATERIAL CHANGES/ COMMITMENTS

There have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2017 till the date of this report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNAL

There were no significant and material orders passed by the Regulators/Courts/Tribunal which would impact the going concern status of the Company and its future operations.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed Form No. MGT 9 is appended as Annexure I.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual financial statements on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board places on record its gratitude to the Securities and Exchange Board of India, Reserve Bank of India, Association of Mutual Funds of India, other regulatory authorities and institutions and Investors in the Mutual Fund schemes for their continued guidance and support.

The Directors also express their gratitude for the unstinted support and guidance received from IDFC Limited, IDFC FHCL and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sunil Kakar

Chairperson

Mumbai, June 30, 2017

ANNEXURE I

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U69990MH1999PLC123190
ii) Registration Date	20/12/1999
iii) Name of the Company	IDFC AMC TRUSTEE COMPANY LIMITED
iv) Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
v) Address of the Registered office and contact details	One India Bulls Centre, 841 Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400013, Maharashtra. Tel.: +91 22 6628 9999, Fax: +91 22 2421 5051
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011. Tel.: +91 22 6656 8484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Trustee of Mutual Fund	6619	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Limited	L65191TN1997PLC037415	Ultimate Holding	Indirectly 100	Section 2(46)
2	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Holding	100	Section 2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoter									
(1) Indian									
Bodies Corp.	37,493	6	37,499	75	49,994	6	50,000	100	25
Sub-total (A) (1):-	37,493	6	37,499	75	49,994	6	50,000	100	25
(2) Foreign									
Bodies Corp.	12,501	NIL	12,501	25	NIL	NIL	NIL	NIL	(25)
Sub-total (A) (2):-	12,501	NIL	12,501	25	NIL	NIL	NIL	NIL	(25)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	49,994	6	50,000	100	49,994	6	50,000	100	NIL
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	49,994	6	50,000	100	49,994	6	50,000	100	NIL

ANNEXURE I

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1.	IDFC Financial Holding Company Limited & its nominees	37,499	75	NIL	50,000	100	NIL	25
TOTAL		37,499	75	NIL	50,000	100	NIL	25

(iii) Change in Promoters' Shareholding:

SR. NO.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	At the beginning of the year	37,499	75	37,499	75
2	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	On March 20, 2017, 12,501 equity share of IDFC AMC Trustee held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited	25	On March 20, 2017, 12,501 equity share of IDFC AMC Trustee held by Natixis Global Asset Management Asia Pte. Ltd were transferred to IDFC Financial Holding Company Limited	25
3	At the end of the year	50,000	100	50,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

B. Remuneration to other directors:

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT	
		SUNIL KAKAR	GEOFFROY SARTORIUS	BHARAT RAUT	SRIDAR VENKATESAN	NITYANATH GHANEKAR		UDAY PHADKE
1. Independent Directors								
	Fee for attending board /committee meetings			250,000	150,000	325,000	225,000	950,000
	TOTAL (1)			250,000	150,000	325,000	225,000	950,000
2. Other Non-Executive Directors		NIL	NIL					NIL
	TOTAL (B) = (1 + 2)	NIL	NIL	250,000	150,000	325,000	225,000	950,000
	Overall ceiling as per the Act							Refer Note

Note: Sitting fees paid to Directors is within the overall Ceiling limit as prescribed under the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NOT APPLICABLE

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC AMC TRUSTEE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IDFC AMC Trustee Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

INDEPENDENT AUDITOR'S REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As at March 31, 2017 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: IDFC AMC Trustee Company Limited

- (i) According to the information and explanations given to us, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, provident fund, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the Company.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IDFC ASSET MANAGEMENT COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of IDFC AMC Trustee Company Limited

We have audited the internal financial controls over financial reporting of IDFC AMC Trustee Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai, April 24, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

	NOTES	AS AT	AS AT	AS AT
		MARCH 31, 2017	MARCH 31, 2017	MARCH 31, 2016
		₹	₹	₹
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	4	500,000		500,000
(b) Reserves and surplus	5	952,049		527,763
			1,452,049	1,027,763
Non-current liabilities				
(a) Other long-term liabilities	6		30,000	30,000
Current liabilities				
(a) Other current liabilities	7	13,936		4,037
(b) Short-term provisions	8	87,669		371,425
			101,605	375,462
TOTAL			1,583,654	1,433,225
ASSETS				
Non-current assets				
(a) Long-term loans and advances	9		86,370	229,738
Current assets				
(a) Trade receivables	10	517,500		114,500
(b) Cash and bank balances	11	956,368		1,084,076
(c) Short-term loans and advances	9	23,416		4,911
			1,497,284	1,203,487
TOTAL			1,583,654	1,433,225
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
(Membership No. 048749)

Mumbai, April 24, 2017

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Nityanath Ghanekar
Director

Bharat S. Raut
Director

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

	NOTES	YEAR ENDED	YEAR ENDED
		MARCH 31, 2017	MARCH 31, 2016
		₹	₹
I INCOME			
Revenue from operations			
Trusteeship fees		1,800,000	1,200,000
Other income	12	1,110	2,513
TOTAL INCOME (I)		1,801,110	1,202,513
II EXPENSES			
Other expenses	13	1,193,344	1,095,405
TOTAL EXPENSES (II)		1,193,344	1,095,405
III PROFIT BEFORE TAX (I - II)		607,766	107,108
IV TAX EXPENSE			
Current tax		187,800	33,100
Adjustment of tax relating to earlier periods		(4,320)	-
TOTAL TAX EXPENSE (IV)		183,480	33,100
V PROFIT AFTER TAX (III - IV)		424,286	74,008
Basic and diluted earnings per equity share (Nominal value of share ₹10)	16	8.49	1.48
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Viren H. Mehta
Partner
(Membership No. 048749)

Nityanath Ghanekar
Director

Bharat S. Raut
Director

Mumbai, April 24, 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

		YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	₹	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		607,766	107,108
Changes in working capital:			
(Increase)/decrease in loans and advances (short-term)	(18,505)		21,956
(Increase)/decrease in trade receivables	(403,000)		(35,848)
Increase/(decrease) in current liabilities	(270,189)		249,358
		(691,694)	235,466
Cash generated from/(used in) operations		(83,928)	342,574
Direct taxes paid (net of refund received)		(43,780)	(57,163)
Net cash flow from operating activities (A)		(127,708)	285,411
Net cash flow from investing activities (B)		-	-
Net cash flow from financing activities (C)		-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(127,708)	285,411
Cash and cash equivalents as at beginning of the year (refer note 11)		1,084,076	798,665
Cash and cash equivalents as at end of the year (refer note 11)		956,368	1,084,076
		(127,708)	285,411

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
(Membership No. 048749)

Mumbai, April 24, 2017

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Nityanath Ghanekar
Director

Bharat S. Raut
Director

01 NATURE OF OPERATIONS

IDFC AMC Trustee Company Limited ('the Company') is a public limited company, incorporated in India and regulated by The Securities Exchange Board of India (SEBI).

During the year, IDFC Financial Holding Company Limited has acquired the entire shareholding of Natixis Global Asset Management Asia Pte. Ltd., Singapore in IDFC AMC Trustee Company Limited with effect from March 20, 2017.

02 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the and the Companies (Accounting Standards) Amendment Rule, 2016 and applicable guidelines issued by SEBI. The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies followed in the preparation of financial statements are consistent with those followed in the previous year.

03 SIGNIFICANT ACCOUNTING POLICIES**A. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B. REVENUE RECOGNITION

- Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.
- Income from trusteeship services is recognised at price agreed in accordance with the arrangement with the IDFC Mutual Fund.

C. PROVISIONS

- A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

D. INCOME TAX

- Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act 1961, enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.
- Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

F. EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

G. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. Trusteeship Services. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

04 SHARE CAPITAL

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
AUTHORISED SHARES				
Equity shares of ₹10 each	50,000	500,000	50,000	500,000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
Equity shares of ₹10 each	50,000	500,000	50,000	500,000
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		500,000		500,000

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
Outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding company

Out of the equity shares issued by the Company, shares held by its holding company/ultimate holding company are as below:

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	(₹)	NUMBER	(₹)
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	50,000	500,000	37,499	374,990

(d) Details of shareholders holding more than 5% of the equity shares in the Company

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	50,000	100.00%	37,499	75.00%
Natixis Global Asset Management Asia Pte. Limited	-	-	12,501	25.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

05 RESERVES AND SURPLUS

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	527,763	453,755
Add: Profit for the year	424,286	74,008
Closing balance	952,049	527,763

06 OTHER LONG-TERM LIABILITIES

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
Other payables - Corpus	30,000	30,000
TOTAL	30,000	30,000

07 OTHER CURRENT LIABILITIES

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
Statutory dues payable	13,936	4,037
TOTAL	13,936	4,037

08 SHORT TERM PROVISIONS

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
Provision for income tax (Net of advance tax of ₹145,000; Previous year ₹231,132)	42,800	46,468
Other short term provisions (read with note 17)	44,869	324,957
TOTAL	87,669	371,425

09 LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016	
	NON-CURRENT PORTION	CURRENT MATURITIES	NON-CURRENT PORTION	CURRENT MATURITIES
	(₹)	(₹)	(₹)	(₹)
Balances with government authorities - Service tax credit receivable	-	23,416	-	4,911
Advance tax (Net of provision ₹6,492; Previous year ₹150,600)	86,370	-	229,738	-
TOTAL	86,370	23,416	229,738	4,911

10 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
Outstanding for a period less than six months	517,500	114,500
TOTAL	517,500	114,500

11 CASH AND BANK BALANCES

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
	(₹)	(₹)
Cash and cash equivalents		
Balances with banks: In current accounts	956,368	1,084,076
TOTAL	956,368	1,084,076

12 OTHER INCOME

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Interest on income tax refund	1,110	2,513
TOTAL	1,110	2,513

13 OTHER EXPENSES

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Travelling and conveyance	115,600	134,823
Printing, stationery and postage	-	1,890
Professional fees	12,893	130,732
Directors' sitting fees	1,000,000	590,000
Statutory Notice	-	9,804
Miscellaneous expenses	9,305	5,906
Meeting and other expenses	19,636	187,844
Auditors' remuneration (refer note (a) below)	33,410	31,906
Profession tax paid	2,500	2,500
TOTAL	1,193,344	1,095,405

(a) Break up of auditors' remuneration:

	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	(₹)	(₹)
Audit fee	18,000	15,000
Other services	12,000	12,000
Out of pocket expenses	3,410	4,906
TOTAL	33,410	31,906

14 The Company is engaged in the business of providing trusteeship services. As such there is no separate reportable primary business segment or geographical segment as required by Accounting Standard 17 on "Segment Reporting".

15 RELATED PARTY DISCLOSURES

Names of the related parties where control exists irrespective of whether transactions have been occurred or not:

I. Ultimate Holding Company:

IDFC Limited

II. Holding Company:

IDFC Financial Holding Company Limited

Names of the related parties with which there are transactions during the year:

III. Fellow Subsidiary:

IDFC Asset Management Company Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Details of transactions:

NAME OF RELATED PARTY AND NATURE OF RELATIONSHIP	TRANSACTIONS DURING THE YEAR	YEAR ENDED	YEAR ENDED
		MARCH 31, 2017	MARCH 31, 2016
		(₹)	(₹)
I. FELLOW SUBSIDIARIES:			
IDFC Asset Management Company Limited	Reimbursement of expenses	134,236	318,356

16 THE BASIC AND DILUTED EARNINGS PER SHARE HAS BEEN CALCULATED BASED ON THE FOLLOWING:

	YEAR ENDED	YEAR ENDED
	MARCH 31, 2017	MARCH 31, 2016
	(₹)	(₹)
Net profit after tax	424,286	74,008
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and diluted earnings per share (₹)	8.49	1.48

17 As per information available with the Company, there are no micro, small or medium enterprises as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006', to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

18 DETAILS OF SPECIFIED BANK NOTES ("SBN") HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016

PARTICULARS	SBNS	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	-	-	-
(-) Permitted receipts	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

19 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.